152 U S 244

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RECORD, CASE No. 14,101.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1893.

TERM No., 149.

JOHN DUNLAP, JAMES DUNLAP, AND JOHN DUNLAP, JR., COPARTNERS AS J. DUNLAP & SONS, APPELLANTS,

vs.

BENJAMIN SCHOFIELD, JR., EDWARD F. MASON, AND GEORGE N. SCHOFIELD, COPARTNERS AS SCHOFIELD, MASON & CO.

APPEAL FROM THE CIRCUIT COURT OF THE UNITED STATES FOR THE EASTERN DISTRICT OF PENNSYLVANIA.

FILED AUGUST 12, 1890.

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1 In the Circuit Court of the United States in and for the Eastern District of Pennsylvania, in the Third Circuit.

BENJAMIN SCHOFIELD, JR., EDWARD F. Mason, and George N. Schofield, Copartners, Trading as Schofield, Mason and Company, *vs.* JOHN DUNLAP, JAMES DUNLAP, and JOHN Dunlap, Jr., Copartners, Trading as J. Dunlap and Sons.	No. 37. April Session, 1889. In Equity.

UNITED STATES OF AMERICA, *Eastern District of Pennsylvania,* } *ss:*

Pleas and proceedings before the honorable the judges of the circuit court of the United States in and for the eastern district of Pennsylvania, in the third circuit, of April session, 1889, No. 37.

2 It is thus contained:

Be it remembered that on the seventh day of May, in the year of our Lord one thousand eight hundred and eighty-nine, Benjamin Schofield, Jr., Edward F. Mason, and George N. Schofield, copartners, trading as Schofield, Mason and Company, by their solicitor, Hector T. Fenton, Esquire, comes into court here and files their bill of complaint against John Dunlap, James Dunlap, and John Dunlap, Jr., copartners, trading as J. Dunlap and Sons, which, being read, is in the words and figures following, to wit:

3 In the Circuit Court of the United States, Eastern District of Pennsylvania.

BENJAMIN SCHOFIELD, JR., EDWARD F. MASON, and George N. Schofield, Copartners, Trading as Schofield, Mason & Co., *vs.* JOHN DUNLAP, JAMES DUNLAP, and JOHN DUNlap, Jr., Copartners, Trading as J. Dunlap & Sons.	In Equity. April Session, 1889. No. 37.

To the honorable the judges of the circuit court of the United States in and for the eastern district of Pennsylvania:

Benjamin Schofield, Jr., Edward F. Mason and George N. Schofield, citizens of the State of Pennsylvania, residing in the city of Philadelphia, copartners, trading as Schofield, Mason & Co., bring this bill against John Dunlap, James Dunlap and John Dunlap, Jr., also all residing in said city of Philadelphia in the eastern district of Pennsylvania, now or late copartners trading as John Dunlap & Sons.

4 And thereupon your orators complain and say that on or before the sixteenth day of February, 1889, one Julius Stroheim was the true, original and first inventor of a certain new and original "design for rugs," not known or used by others before the invention or production thereof by him, and which was not, at the time of his application for a patent therefor, as hereinafter mentioned, in public use or on sale with his consent or allowance.

And your orators further show unto your honors, that on or about the — day of February, 1889, the said Julius Stroheim, by an assignment in writing of that date, sold, assigned and transferred unto your orators all his right, title and interest in and to said invention, together with the right to receive the letters patent of the United States to be granted therefor; which said assignment was duly recorded in the Patent Office of the United States February 16, 1889, in Liber O 39, page 86, which assignment, or a duly certified copy thereof, your orators will produce in court.

And your orators further show unto your honors, that the said Julius Stroheim, so being the inventor of said improvement, made application to the proper department of the Government of the United States for letters patent therefor, in accordance with the then existing laws of Congress, and having duly complied in all respects with the conditions and requisitions of said laws, on the second day of April, 1889, letters patent of the United States, No. 18996, signed, sealed and executed in due form of law, for his invention aforesaid, were issued to your orators as assignees of said Julius Stroheim, whereby there was secured to your orators, their heirs and assigns, for the term of three and one-half years from the second day of April, 1889, the full and exclusive right of
5 making, using and vending to others to be used, the said invention in design for rugs, as specified and set forth in said letters patent now on record in the Patent Office of the United States, which said letters patent, or an exemplified copy thereof, your orators will produce as your honors may direct.

And your orators further show unto your honors that the said invention has been, and is, of great practical use and benefit to your orators, and that they have applied the same to large and extensive use, and have expended large sums of money to introduce said invention as aforesaid, and that the public and the users of said invention have acknowledged and acquiesced in the value thereof, and the aforesaid rights of your orators under said letters patent, and that your orators have been, and, but for the infringement hereinafter complained of, would still be in the undisturbed possession, use and enjoyment of the exclusive privileges secured by the said letters patent and in receipt of the profits of the same.

And your orators further show unto your honors, as they are informed and believe, that the said defendants hereinafter named, well knowing all the facts hereinbefore set forth, but contriving to injure your orators and to deprive them of the benefits and advantages which might and otherwise would accrue to them from said invention and letters patent, have been and now are wrongfully and unlawfully making, using and vending the said patented design,

substantially the same in outline, detail and appearance as in the said letters patent shown and described, the exclusive right to make and use which, and vend the same to others to be used, are thus by law vested in your orators

And your orators further show unto your honors, that your
6 orators, after the issue of the aforesaid letters patent, notified the said defendants of the issue of said letters patent of their infringement thereof, and requested them, the said defendants, to abstain and desist from any further violation thereof in infringement of your orators' rights thereunder in the manufacture and sale of rugs bearing said patented design.

But so it is, may it please your honors, that the said defendants, as your orators are informed and believe, without the license of your orators and against their will and in violation of their rights, have made, used and sold, and intend to continue still to make, use and sell the said improvement within the eastern district of Pennsylvania and elsewhere, all of which in a violation of the said letters patent and assignments.

To the end, therefore, that the defendants may, if they can, show reason why your orators should not have the relief hereby prayed, and that they may make a full disclosure and discovery of all the matters aforesaid, and upon their several corporal oaths and according to the best and utmost of their knowledge, remembrance, information and belief, full, true, direct and perfect answer make to such of the several interrogatories hereinafter numbered and set forth, as by the note hereunder written, they are required to answer: that is to say:

I. Whether the said original letters patent were granted and issued to the said complainants as assignees of said Julius Stroheim as hereinabove mentioned?

II. Whether the said defendants have, at any time, and if so, when and where, and during what period of time, made, constructed, sold or used any, and if so, how many rugs or carpets bearing the said patented design, substantially similar in any, and if so in
7 what respect to the design described and shown in the letters patent above mentioned, and at what profit have the same been so made, constructed, sold or used.

III. Whether the design applied to rugs made, sold or used by the said defendants differs in outline, detail or appearance in any, and if so, in what substantial and material respect from the design shown and described in said letters patent, and if so, describe minutely and in detail all such differences.

And now to the end that the defendants may be compelled to account for and pay over the income thus unlawfully derived from the violation of the rights of your orators as above, together with the damages the complainants have sustained thereby, and be restrained from any further violation of said rights, your orators pray that your honors may grant a writ of injunction, preliminary until hearing and perpetual thereafter, restraining the defendants from any further manufacture, sale or use in any manner of said patented design or any part thereof, in violation of the rights of your orators

as aforesaid, and that the rugs bearing said design now in possession or use of the said defendants may be destroyed or delivered up to your orators for that purpose. And your orators pray for such other relief as the equity of the case may require and to your honors may seem meet.

May it please your honors to grant unto your orators not only a writ or writs of injunction, conformable to the prayer of this bill, but also a writ of subpœna of the United States of America, directed to the said John Dunlap, James Dunlap and John Dunlap, Jr., co-partners, trading as J. Dunlap & Sons, and commanding them to appear and answer unto this bill of complaint, and to abide
8 and perform such order and decree in the premises as to the court shall seem meet, and be required by the principles of equity and good conscience.

SCHOFIELD, MASON & CO.,
By EDWARD F. MASON.

H. T. FENTON,
Solicitor for Complainants.

The defendants are required to answer each of the foregoing interrogatories, numbered one to three, each, inclusive.

H. T. FENTON,
Solicitor for Complainants.

On the 7th day of May, A. D. 1889, before me, the subscriber, came Edward F. Mason, one of the complainants in the foregoing bill named, who being duly sworn says, that so far as the statements therein contained are within his own knowledge, they are true, and so far as they are derived from the information of others, he verily believes the same to be true, and he verily belives the said Julius Stroheim, in said bill named, to be the original, true and first inventor of the new design for rugs, which is shown, described and claimed in the letters patent granted to your orators and mentioned in the foregoing bill. And your deponent verily believes that the title of the said complainants, as set forth in said bill, is true.

EDWARD F. MASON.

Sworn and subscribed before me, this 7 day of May, A. D. 1888.

SAMUEL BELL,
U. S. Com'r.

(Endorsed:) Schofield *et al. vs.* Dunlap *et al.* No. 37. Ap'l sess., 1889. U. S. C. C. Bill in equity. Issue subp., ret'ble *sec. reg.* Hector T. Fenton, sol'r for compl't. Filed May 7, 1890.

9 And afterwards, to wit, on the 7th day of June, A. D. 1889, the respondents, by their solicitor, Joseph C. Fraley, Esq., comes into court here and files their answer, which, being read, is in the words and figures following, to wit:

Answer.

Circuit Court of the United States in and for the Eastern District of Pennsylvania.

BENJAMIN SCHOFIELD, JR., EDWARD F. MASON, and George N. Schofield, Copartners, Trading as Schofield, Mason & Co., *vs.* JOHN DUNLAP, JAMES DUNLAP, and JOHN Dunlap, Jr., Copartners, Trading as J. Dunlap & Sons.	In Equity. No. 37. April Sessions, 1889.

The joint and several answer of John Dunlap, James Dunlap, and John Dunlap, Jr., copartners, trading as John Dunlap & Sons, to the bill of complaint of Benjamin Schofield, Edward F. Mason, and George N. Schofield, copartners, trading as Schofield, Mason & Co.

These defendants now, and at all times hereafter, saving and reserving — themselves, jointly and severally, all manner of benefit or advantage of exception or otherwise that can be had or taken to the manifold errors, insufficiencies, uncerta-nties and imperfections in the said bill of complaint contained, for answer thereto, or to so much and such part thereof as they are advised it is material or necessary for them to make answer unto, jointly and severally answering, say :

1. They admit that letters patent of the United States, No. 18996, were granted under date of April 2, 1889, to the complainants as assignees of one Julius Stroheim for the term of three and one-half years from said date, but they deny each and every other allegation of said bill touching the application for the grant of said letters patent.

2. They deny that said Julius Stroheim was the true, original and first inventor of the design set forth and shown in the letters patent mentioned in said bill, and on information and belief they aver that said design was in fact copied from an old design for wall decoration, which was old and well known to said Julius Stroheim at the time of his pretended invention of said design, and formed part of the decoration of the house in which said Stroheim then lived.

3. They aver that the only feature of said design which strikes the eye of an ordinary purchaser as characteristic, and the only substantial part of said design, is an old and well-known form of scroll, common in decoration for several centuries past, and with which all designers skilled in the art are familiar, and thereupon they deny that there is any patentable novelty or originality in the design set forth and shown in said letters patent.

4. They deny that the public and the users of said invention have acknowledged and acquiesced in the value of said invention, and of any rights of said complainants in the premises.

11 5. They deny that after the issue of the aforesaid letters patent these complainants notified these defendants of the issue of said letters patent, or of their infringement thereof, and requested the said defendants to abstain and desist from infringement of complainants' alleged rights thereunder, in the manufacture and sale of rugs bearing said patented design.

6. They deny that they have been or are now unlawfully making, using or vending said patented design, or any design substantially similar thereto, or that they have in any manner infringed upon said letters patent, and they further deny that they have made any profit, or that the complainants have suffered any damage by reason of any unlawful acts in the premises.

Without this that there is any other *manner*, cause or thing in the said bill of complaint contained, and herein and hereby well and truly answered, traversed, confessed, and avoided or denied, true to the knowledge and belief of these defendants, and they humbly pray to be hence dismissed with their reasonable costs and charges in this behalf most wrongfully sustained.

JOHN DUNLAP, SR.,
JOHN DUNLAP, JR.,
JAMES DUNLAP,
Trading as John Dunlap & Sons.

J. HOWARD GENDELL,
JOS. C. FRALEY,
Of Counsel for Def'ts.

STATE OF PENNSYLVANIA, }
County of Philadelphia, } *ss:*

James Dunlap, having been duly sworn, deposes and says, that he is one of the defendants in the above-entitled suit; that he has read the foregoing answer by him subscribed, and knows the contents thereof, and that the statements therein made are true to the best of his knowledge and belief.

JAMES DUNLAP.

Sworn and subscribed before me this 1st day of July, A. D. 1889.

EDWARD FELL LUSKENS,
[SEAL.] *Notary Public.*

(Endorsed:) 37. Ap'l. sess., 1889. U. S. C. C., E. D. of Pa. In equity. Schofield *vs.* Dunlap. Answer. Filed July 1, 1889. J. C. Fraley, for defendant.

12 And afterwards, to wit, on the 3rd day of July, A. D. 1889, the complainants, by their solicitor, comes into court here and files their replication, which, being read, is in the words and figures following, viz:

Replication.

Circuit Court of the United States in and for the Eastern District of Pennsylvania.

BENJAMIN SCHOFIELD, JR., EDWARD F. MASON, and George N. Schofield, Copartners, Trading as Schofield, Mason & Co.,	April Sessions, 1889. No. 37. In Equity.
vs.	
JOHN DUNLAP, JAMES DUNLAP, and JOHN Dunlap, Jr., Copartners, Trading as J. Dunlap & Sons.	

The replication of Benjamin Schofield, Jr., Edward F. Mason, and George N. Schofield, copartners, trading as Schofield, Mason & Co., complainants, to the answer of John Dunlap, James Dunlap, and John Dunlap, Jr., defendants.

These repliants, saving and reserving unto themselves, now and at all times thereafter, all and all manner of benefit and advantage of exception which may be had or taken to the manifold insufficiencies of the said answer, for replication thereunto say that they will aver, maintain and prove their said bill of complaint to be true, certain and sufficient in law to be answered unto; and that the said answer of the said defendants is uncertain, untrue and insufficient to be replied unto by these repliants. Without this, that any other
13 matter or thing whatsoever, in the said answer contained, material or effectual in the law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed or avoided, traversed, or denied, is true. All which matters and things these repliants are and will be ready to aver, maintain and prove, as this honorable court shall direct, and humbly pray, as in and by their said bill, they have already prayed.

H. T. FENTON,
Counsel for Complainants.

Endorsed: 37. Ap'l sess., 1889. Schofield *vs.* Dunlap. U. S. C. C., eq. Replication. Filed July 3, 1889.

11 Circuit Court of the United States, Eastern District of Pennsylvania.

BENJAMIN SCHOFIELD, JR., *et al.*	No. 37. April Sessions, 1889. Equity.
vs.	
JOHN DUNLAP *et al.*	

Proofs for Complainants, Taken Before Samuel Bell, Esq., as per Stipulation Filed.

JULY 13, 1889—11 o'clock a. m.

Present: Hector T. Fenton, Esq., for complainants; Joseph C. Fraley, Esq., for respondents.

Mr. Fenton offers in evidence letters patent of the United States

referred to in said bill, being design letters patent No. 18996, dated April 2, 1889, to the plaintiffs, Schofield, Mason & Company, as assignees of Julius Stroheim, for a design for a rug, marked Plaintiffs' Exhibit A.

Also, assignment Julius Stroheim to the plaintiffs of said invention and the letters patent to be granted therefor, and duly recorded, marked Plaintiffs' Exhibit B.

Mr. Fraley, on behalf of defendants, admits that since the date of the patent in suit and prior to the filing of the bill, the defendants have made and sold at their mills, in Philadelphia, rugs, of which the rug Exhibit B is a sample.

Mr. Fenton offers in evidence the rug Exhibit B, which Mr. Fraley admits was made by defendants; and Mr. Fenton
15 also offers in evidence complainants' rug, Exhibit No. 2, which it is stipulated correctly represents the design patented.

Adjourned to meet Thursday, July 18, 1889, at 11 o'clock a. m.

MEETING THURSDAY, *July* 18, 1889—11 a. m.

Present: Mr. Fenton, for complainants; Messrs. Joseph C. Fraley and J. H. Gendell, for defendants.

NATHAN AITKIN, called as a witness, duly sworn, examined.

By Mr. FENTON:

Q. Do you reside in the city of Philadelphia?

A. Yes, sir; at No. 1626 North Eighteenth street.

Q. What business?

A. In upholstery business; of upholstery goods; am salesman for Brown, De Turck & Co., at 218 South Second street.

Q. Is it a common practice now to use velvet rugs in the upholstery business?

A. Yes, sir.

Q. Have you had any experience in the selection and use of rugs or carpets?

A. Yes, sir; I have.

Witness is shown rugs, Exhibit No. 2, and also rug marked Exhibit B, and is asked whether or not, in his opinion, they are substantially similar in design to the eye of ordinary purchasers or users of rugs of that character.

A. If a person would see rug No. 2 in one house and rug Exhibit B in another house, they would certainly take them to be the same rug. One can readily see that one rug is a copy taken
16 from the other; for instance: you take this figure with the blue in it and compare it with the figure with the blue in it in the other rug; you can see the difference in the two rugs when close together; but any one could see this was the same figure in the other rug.

Cross-examination:

Q. Do you mean that that figure with the blue in it which you

have just pointed out is the thing which catches your eye in the pattern?

A. Well, that is one thing which would catch my eye; and this figure here is another; this figure in the border; the principal difference being in the horizontal part of the figure.

Q. Do you mean to swear, as an expert in carpet dealings, that those two things, which you have pointed out, are the prominent features of that design?

A. One of the prominent features; yes, sir. As I stated before, an ordinary buyer who would see this rug in one house and that one in another, would not see any difference between them; the whole character of the rug is similar; any one could readily see that one is copied from the other.

Q. Don't you know that what the average purchaser carries in his eye is the color and not the figure?

(Mr. Fenton objects.)

A. He carries the figure as well as the color.

Q. Where is your place of business?

A. No. 218 South Second street; I have dealt in rugs and carpets for the last seventeen years, wholesale and retail; and wholesale for last twelve or fifteen years.

Q. How does it happen that you are so familiar with what retail customers want?

A. I have been selling them every day for about twelve years.

17 Q. To retail customers?

A. To retail merchants; we don't call them customers when speaking of the trade.

Q. What I want to know is, have you been selling for the past twelve years to what would ordinarily be called a retail customer—a man or woman who buys a carpet to lay down in his own house?

A. No, sir; I don't carry that trade at all.

J. Fowler Carr, called as a witness, duly sworn, examined.

By Mr. Fenton:

Q. Where do you reside?

A. I reside in the city of Philadelphia, and do business at 719 Sansom street; in upholstery goods and curtain materials.

Q. Have you had any extensive experience in the sale of rugs for upholstery and other purposes?

A. Yes, sir; I have been in the upholstery business for about eighteen years.

Q. Are velvet rugs used in the upholstery line for covering furniture, etc.?

A. Yes, sir.

Q. For about how long have you been in the rug business?

A. Very nearly ever since the rug business has been started; quite a number of years now; but I have been engaged more particularly for the last five or six years in the rug business, when they first came out for upholstery use.

Q. Please examine the two rugs now shown you and marked Exhibit No. 2 and B, and say whether or not, in your opinion,
18 they are substantially similar in design to the eye of ordinary purchasers of goods of that character.

A. I should say there was a great similarity between the two rugs: to a person going into my place, if they should ask for the one rug and I did not have that, and should show them the other, they would not easily know the difference in the general design and character of the rug. I could substitute rug marked B for rug marked No. 2 without any trouble. My customers would take one just as quickly as the other, taking them to be the same exactly; that is, persons not shown the difference between them.

Cross-examination:

Q. Do you do a retail business?

A. I do a wholesale and retail business to the manufacturers of furniture and to the retail furniture stores.

Q. What I want to know is, do you sell to what are known as ordinary retail customers, to people who buy rugs to put down in their own houses?

A. We sell to any one.

Q. Is it fair to call that business retailing?

A. Wholesale and retail; if a person would come into my place and want to buy a rug, I would sell it to them.

Q. Which is the bulk of that business?

A. I don't know what you mean by that.

Q. I mean ordinary individuals who would come in and want to buy a rug. Is your business at all extensive in that direction?

A. I have sold some to different parties and to orders coming in.

19 Q. These rugs are what are sold to the trade generally; is that the bulk of your business in the trade? That is, to the retail stores?

A. Yes, sir.

Q. Where is your place of business?

A. At 719 Sansom street.

Q. Up stairs or down?

A. First floor front, room No. 1.

Q. This is one of your business cards?

A. Yes, sir.

Mr. Fraley offers in evidence the card and calls it Exhibit Card.

Q. Can you swear that you have made within a month a single retail sale of a carpet?

A. We don't sell carpets.

Q. Or a rug, to an ordinary retail customer as that word is generally understood?

A. Let me understand what is meant by a retail customer.

Q. I mean by a person who buys an article to use in his own house, and not to sell again.

A. I have not sold any this month.

Q. Have you sold any to such a customer since the beginning of this year?

A. Yes, sir. I think one or two to a party.

Q. Give your best recollection about it.

A. I could not tell now; I would have to refer to my books to see.

Q. Is that the only way that you could remember without referring to your books?

A. Yes, sir.

20 Q. Look at the rug which I now show you, marked Exhibit Dunlap, and tell me whether or not if a person came into your place of business and selected the rug Exhibit No. 2, he would be satisfied if you sent him home this rug, Exhibit Dunlap.

Mr. Fenton objects to the question as not cross-examination, and as irrelevant.

A. I don't know what that Exhibit Dunlap has got to do with that rug Exhibit No. 2.

Q. Can you not answer the question?

A. Only in the way I have.

Re-examined.

By Mr. FENTON:

Q. Are you sufficient of an expert in the business to be able to compare one design with the other, and say whether they are or are not similar?

A. Yes, I think I should be able to do that; I have been in the business and among designs, and have to choose designs for my own goods.

Q. Please compare the Exhibit Dunlap with the Exhibit B, and say whether or not you find them exact fac-similes of each other in design, the difference being entirely in the coloring?

(Mr. Fraley objects to the question as leading.)

A. I should say from what I have seen of them, that one is the fac-simile of the other in design, not in the general coloring.

21 Recross-examined.

By Mr. FRALEY:

Q. Will you tell me, Mr. Carr, whether or not it is the custom among dealers to substitute one design for another; for instance, if they are oversold in any one pattern?

A. That bears a great deal upon how similar the design was to the one that is ordered. They do sometimes, yes, sir. It all depends upon the circumstances, how near the two designs are alike.

Q. The controlling thing in that matter is color, is it not? For instance, nobody would have substituted Exhibit Dunlap for Exhibit B, would they?

A. For colors they would not, but they would for design. The design is precisely the same.

Q. I want to know whether any one would undertake to make that substitution in these transactions? For instance, if Exhibit Dunlap was ordered, they would not substitute Exhibit B for color?

A. They would in design.

JAMES ARTMAN, called as a witness, duly sworn, examined.

By Mr FENTON:

Q. Do you reside in the city of Philadelphia?

A. Yes, sir; and do business at 713 Market street, and am employed by Artman & Treichler.

Q. What is their business and yours?

A. Carpets, oil-cloths, and wooden willow-ware.

Q. Your duties are what?

A. I am manager of the carpet department.

22 Q. For how long?

A. About five years.

Q. In the performance of your duties, do you sell to retail houses or to individual consumers, or to both?

A. Sell to retail houses only.

Q. Does your experience in the sale of carpets include rugs?

A. Well, it does of rugs of a certain class, but not the class in question now. We never handle this class of rugs.

Q. What class does it include?

A. It includes the ordinary rugs, such as Smyrna rugs and tapestry rugs, but no velvet rugs at all.

Q. Have you had sufficient experience in the sale of carpets and rugs generally to be able to say how two designs upon velvet rugs would distinguish them in the eyes of retail buyers in the trade?

A. I have a kind of experience of that kind, not altogther with rugs though, mostly with carpets.

Q. Do you do any buying for the house with which you are engaged?

A. Yes, sir.

Q. Does the buying include rugs as well as carpets?

A. Yes, sir.

Q. Please look at the two rugs marked Exhibit B and No. 2, and say whether or not in your opinion, they are substantially similar in design to the eyes of ordinary purchasers.

(Question objected to.)

A. I think they are very similar in style and design and coloring, and would deceive ordinary buyers.

23 Cross-examined:

Q. Do you know whether or not it is the custom among dealers to substitute different designs in this way; for instance, if they are oversold in any one pattern, to substitute another one for it where the colors are alike?

A. It is very often the case; done very often every day.

Q. What guides them in making a substitution, design or color?

A. Both.

Q. Which is the general guide?

A. Well, color generally.

Q. The similarity between the two rugs now on the floor that strikes your eye is the similarity of color, is it?

A. The color and design are also very similar.

Q. Look at the rug marked Dunlap, and tell me whether you would think any ordinary purchaser who would come into your place and bought Exhibit No. 2, would be satisfied if you sent them home Exhibit Dunlap?

A. No, sir; they would not.

Question by Mr. FENTON:

Q. Please compare Exhibit Dunlap with Exhibit B, and say whether or not you find them fac-similes of each other in all respects except the color?

A. They are exactly alike in design to my eyes. I find them exactly alike except in color.

24 GEORGE N. SCHOFIELD, called as a witness, duly sworn and examined.

By Mr. FENTON:

Q. Where do you reside?

A. I reside in the city of Philadelphia, and am a member of the firm of Schofield, Mason & Co., plaintiffs. We manufacture the rug, Exhibit No. 2, at our mills in the city of Philadelphia.

Q. What are your duties particularly at the mills?

A. I am manager and have charge of orders and partly of selling the rugs. In the city of Philadelphia I sell the rugs.

Q. Please look at the two rugs, Exhibit 2 and Exhibit B, and state whether or not in your opinion they are substantially similar in design in the eyes of ordinary purchasers, either consumers or retail dealers?

A. Yes, sir.

Q. Whether or not in your opinion consumers or retailers would be deceived and readily accept Exhibit B if No. 2 had been ordered.

A. Yes, sir.

Q. At your establishment, do you make the rug Exhibit No. 2 of different ground colors, but of same design from that shown in the exhibit?

A. Yes, sir.

Q. You make that design in similar quality of rug of various ground colors of which these samples I now produce are specimens?

A. Yes, sir.

25 (Mr. Fenton offers in evidence the samples marked Exhibit Ground Color Samples.)

(Mr. Gendell objects to the samples offered and calls for the rugs.)

Cross-examination.

By Mr. GENDELL:

Q. Where did you get this pattern?

A. I cannot say where we got that pattern. We got it from a designer that is doing work for another party.

Q. Was this design made by Mr. Wright?

A. Yes, sir.

Q. Where did he get the design?

A. I don't know.

Q. What did he copy it from?

A. I don't know; we paid him so much for the design.

Q. Do you think that an ordinary person looking at Exhibit Dunlap and Exhibit No. 2 would say that the design is the same?

A. That is not a fair comparison. You would have to look into it closer to see the difference. A buyer would think that this was that rug in a blue ground until he would look very closely into it.

Q. You think it would strike him as the same pattern?

A. Yes, sir.

Q. Do you deal in Persian rugs?

A. No, sir.

Q. You know what they are in a general way, in patterns?

A. Yes, sir.

Q. Have you sold them?

A. Yes, sir.

26 Q. If a buyer were to see a Persian rug in one store and go from thence to a store at a little distance and see another Persian rug of substantially the same colors, would he carry the diversity of pattern in his mind; both being Persian patterns of the same general character and different patterns?

A. You would see the difference; yes, sir. I should think so.

Q. If it is very close, as close as those two are, he would not know the difference, would he? If the colors are substantially the same way in the different designs in Persian character, so near alike that the buyer would not carry the difference in mind from one store to another?

A. No.

Q. What is your purpose in pressing this suit?

Mr. Fenton objects to question, and witness instructed that he need not answer.

Q. Where you aware that the defendants have entirely closed out their machinery for making this class of goods?

Mr. Fenton objects to question, and witness instructed that he need not answer the question.

Q. Were you aware that the defendants have neither manufactured or sold any rugs of this character for a considerable time, and have now no machinery for this kind of work?

Mr. Fenton instructs the witness that he need not answer such questions.

Mr. Gendell states that, as Mr. Fenton instructs the witness not to answer material questions, he declines to further cross-examine.

Plaintiffs close.

27 By consent of counsel the following letter is appended to Mr. Schofield's deposition:

PHILADELPHIA, *July* 18, 1889.

Hector T. Fenton, Esq.

DEAR SIR: While on the stand I was under the impression that Wright had filled out the design drawn by Stroheim, and that we had received it from him. I find that Mr. Wright has never communicated with us in any manner, and that McClain and Talbot, our New York agents, sent us the Stroheim design which, I presume, they received from S——, and for all I know, Mr. Wright has never seen the design in question. Can my testimony in this regard be corrected, as I desire to be right, no matter who is the loser?

Yours respectfully, GEO. N. SCHOFIELD.

28 *Defendants' Proofs.*

Testimony on behalf of the respondent-, taken before Samuel Bell, Esq., United States commissioner, stipulated examiner, at his office, room 10, third floor, United States courts and post-office building, Ninth and Chestnut streets, Philadelphia, Pa., on the thirtieth day of September, A. D. 1889, at 12 o'clock m., and on subsequent days by adjournment.

Present: Joseph C. Fraley, Esq., solicitor for respondents; Hector T. Fenton, solicitor for complainants.

It is stipulated between counsel for complainant- and counsel for respondent- that the answer heretofore filed in this case be, and the same is, hereby amended as follows, viz: by inserting at the end of paragraph 2 the following words: "Also, that the said patented design was, prior to the alleged invention thereof, by said Julius Stroheim, known to and used by George Curtis Wright, of and at the city of New York, in the State of New York.

DANIEL W. MCCLAIN, a witness, produced on behalf of the respondents, being duly sworn, deposes and says as follows:

Q. 1. Please state your name, age, residence and occupation.

A. Daniel Wakefield McClain; 46 years of age; reside at 361 Tompkins avenue, Brooklyn; agent for Schofield, Mason & Co., and Philip Dower & Sons. I have attended to-day under a subpœna.

Q. 2. You are engaged in the carpet business and familiar with carpet designs?

A. Only to a certain extent in designs; that is a different branch of the business from carpets; I am in the carpets ever since I was a boy ten years old.

29 Q. 3. Please look at the patent No. 18996, dated April 2, 1889, and state whether you have, as agents for the complainants, handled or dealt in rugs embodying the design therein shown?

A. This has never been on show at our office, but I am familiar with the design; it is handled exclusively by Stroheim; I know that the complainants make these rugs and make them for Mr. Stroheim.

Q. 4. What, if anything, do you know about the getting up of that design?

A. I suggested to Mr. Stroheim myself that he had better get a rug up of his own that would be his exclusively, and get it patented. The idea was that there is so much competition that he wanted to have something that nobody else had.

Q. 5. What, if anything, did you say to him about the nature of the design he was to get up?

A. I made no suggestion to him about what the design should be.

Q. 6. Do you know Mr. George Curtis Wright?

A. I do.

Q. 7. Where does he live and what is his occupation?

A. I believe he lives in New York city and is a designer.

Q. 8 Do you know whether Mr. Wright had any hand in the production of this design of patent No. 18996? If so, please state what you know about the matter.

A. I sent Mr. Wright myself to Mr. Stroheim to get his ideas of what he wanted in a rug. I then left the city, but I believe as far as I know Mr. Wright painted the pattern by Mr. Stroheim's instructions and ideas.

30 Q. 9. Do you know where the scroll, which constitutes the main part of said pattern and which is called the renaissance scroll, came from?

A. I do not.

Q. 10. Did Mr. Stroheim ever tell you anything about this design or any portion of it?

A. Yes; he told me that he had Mr. Wright at his house on two or three occasions, giving him ideas; part of it was taken from a frescoing on his ceiling at his house.

Q. 11. Which part was taken from the ceiling?

A. That I could not tell, as I never saw the ceiling. I should have corrected, that part was taken as an idea from the ceiling.

Q 12. Can you not recall anything else about this matter which Mr. Stroheim told you?

A. I could say this, that he told me a short time ago that the rug was made solely by his instructions and by him.

Q. 13. Have you stated everything which you know concerning the production of this design or any of its parts?

A. There is one thing that I would like to say: I took the papers to Mr. Stroheim—patent application papers—to have them sworn to; he brought them back duly executed to Schofield, Mason & Co.

Q. 14. How did it happen that you should take the papers to him and he should bring them back to you?

A. The design was photographed at the mill, sent to me by Schofield, Mason & Co. to have them sworn to by Mr. Stroheim.

Q. 15. What connection is there between Mr. Stroheim and Schofield, Mason & Co.?

31 A. He is doing a jobbing business; he is not their agent, but buys goods from them. He is their agent as far as that one rug is concerned.

Q. 16. Do you know whether Mr. Stroheim is a designer or merely a carpet dealer?

A. He is not a carpet dealer; neither, I suppose, a practical designer as far as I can learn by his authority on fine decorations, and has many fine imported things imported private to himself; his business is upholstery business.

Cross-examination.

By Mr. FENTON:

Q. 17. Stroheim is not a manufacturer, is he?

A. Not that I know of.

Q. 18. So far as you know, has he the exclusive agency for the sale of this rug in New York?

A. He has; McClain and Talbot are sole agents for Schofield & Mason; yet we have never been allowed to show or offer for sale the Stroheim rug.

Q. 19. Then, if I understand you correctly, this Stroheim rug is manufactured by Schofield, Mason & Co., and sold through Stroheim exclusively?

A. It is.

Q. 20. Do you know whether or not it is a common practice for professional designers to paint and prepare for the loom upon especially prepared design cards adapted for that purpose, designs furnished in crude or unprepared form by others?

A. I should answer that question by saying there are suggestions made to them, and in some cases drawings made with pencil upon which they make designs.

32 Q. 21. Do you know whether or not a finished picture must first be prepared upon a specially prepared card adapted for the purpose to fit it for use upon the loom in weaving therefrom the finished product?

A. A design must be drawn on lined paper before the cards could be cut for it.

Q. 22. Is this preparation of these cards for the looms a separate and distinct thing from making a picture upon ordinary paper?

A. Yes; it could not be done or ordinary paper.

Q. 23. Then, if I understand the process correctly, the picture is first made or outlined, before it is transferred by the designer to the lined paper from which the cards for the loom are cut?

A. So far as I know, it is sketched first.

Redirect examination.

By Mr. FRALEY:

R. D. Q. 24. Did you ever see any sketch of this design of patent, No. 18996, made before it had been put upon lined paper?

A. I did not.

D. W. McCLAIN.

Adjourned to meet on notice.

33 SCHOFIELD *et al.*
vs.
DUNLAP *et al.*

November 20, 1889—11 o'clock a. m.

Met pursuant to notice.

Present: Counsel as before.

GEORGE C. WRIGHT, a witness produced on behalf of the respondents, being duly sworn, deposes and says, as follows:

Q. 1. Please state your name, age, residence and occupation?

A. George C. Wright: 50 years of age; reside at New York, and by occupation a designer of carpets.

Q. 2. How long have you been engaged in designing?

A. Since 1856, about 34 years ago.

Q. 3. When you say that you are a designer, do you mean that you prepare the actual designs or make sketches from which other persons prepare the designs: I speak now of carpet designs?

A. Sometimes I prepare sketches for subordinates according to their experience and ability in developing a rough or finished sketch or idea: designers situated as I am do not do much actual work: sometimes we give an idea in a very vague way, and depend upon the ability of the party greater or less to develop it according to the rule generally followed by designers at large.

34 Q. 4. Do you yourself frequently with your own hands prepare the finished design?

A. Very seldom: it don't pay: where you can get a good man to do the work it don't.

Q. 5. Then, I understand, you personally are in the habit of finishing a sketch or idea to be elaborated or finished by subordinates. Is this correct?

Mr. Fenton objects to this line of examination, because it inquires into the witness' private business, not connected in any way with the matter at issue, and that what the witness did usually, for other persons is not necessarily or in fact what he did in this case.

A. Well, it depends altogether upon the character of the sketch, whether it is a rough or finished one: I am not in the habit of finishing an elaborate one.

Q. 6. Please look at the letters-patent, design No. 18996, dated April 2, 1889, and state whether you are acquainted with that design?

A. That looks like a design I have seen before.

Q. 7. Do you personally know Mr. Julius Stroheim, the patentee?

A. I am not very well acquainted with him; I have met him three or four times.

Q. 8. Have you ever been to his house?

A. I have been once.

Q. 9. *Had* your going there on that occasion have anything to do with the preparing of a design?

A. Well, in one sense it had, and in another it had not.

35 Q. 10. In what sense had it to do with the preparing of the design?

A. In conveying a matter of general conformation of or style of a sketch prepared by Mr. Stroheim.

Q. 11. Please state the circumstances which led to you being asked to go there?

A. It happened this way: Mr. McClain asked me to go over and see Mr. Stroheim concerning a rug that he had conceived, and to make a rough sketch and submit it from drawings made by Mr. Stroheim.

Q. 12. Did you meet Mr. Stroheim at his house?

A. I met him at the store and afterwards went to his house.

Q. 13. Did Mr. Stroheim show you the sketch in the store?

A. He sketched it there in the store in my presence.

Q. 14. Do you know what has become of the sketch he then made?

A. I do not; probably he does; it was returned to him.

Q. 15. If he sketched the design for you at the store, what was the object in going to his house?

A. He wanted to convey his ideas a little more particularly; he wanted to convey the idea of renaissance that he had depicted.

Counsel for defendants inquires of complainants' counsel whether the sketch made by Mr. Stroheim at his store is in existence, or whether the same will be produced on call. The object of the inquiry being to save time.

Mr. Fenton replies that he has asked Mr. Stroheim if any of the sketches that he furnished Mr. Wright, the witness, are in existence, and he replies that none of them were preserved.

36 Q. 16. How many sketches did Mr. Stroheim make for you at his store?

A. I can't say how many, one or two; perhaps two or three; one more elaborate than the other; one was for an alteration in the centre piece. He displayed more skill than usual, from his European experience, and conveyed his ideas more clearly and concisely than men I generally meet with; most of them depend upon the designer.

Q. 17. When you went to Mr. Stroheim's house, what did you and he do there in relation to the design?

A. Well, he conveyed his ideas more clearly by referring me to the ceiling of his back parlor, which he had been studying evidently from the similarity of his design or sketch to the ceiling.

Q. 18. What did you do, yourself, at the house in relation to the matter?

A. I looked at the ceiling; there was nothing new to me, the ordinary renaissance always been in vogue.

Q. 19. Did you make any sketch at the house?

A. None at all.

Q. 20. After leaving the house did you make any sketch in connection with this design?

A. I used his sketch for the foundation, following it as closely as possible; I made the sketch on design paper from his drawing to see how it looked enlarged.

Q. 21. Did you take Mr. Stroheim's sketches with you?

A. I did.

Q. 22. Did you return them to him?

A. I returned them to him with the charcoal sketch I made from his drawings.

37 Q. 23. Turning now to the patent, please tell me what name you would apply as a designer to the scroll which constitutes the main body of the design?

A. It comes under the class of renaissance as closely as anything can.

Q. 24. Was there any renaissance scroll on the ceiling at Mr. Stroheim's?

A. There was as far as I understand it and as far as he understood it; he had it painted as a renaissance.

Q. 25. In the sketches which Mr. Stroheim made for you was there any renaissance scroll?

A. There was.

Q. 26. Please look at the photograph mounted on card-board which I now show you, and which is marked Defendants' Exhibit Photograph of Rug, and state whether that is the same design of the patent.

A. I don't see that there is any change in it in any way.

Q. 27. Please tell me whether the general outline of the scroll in the photograph (leaving out of your mind the details), is substantially like the general outline of the scroll on Mr. Stroheim's ceiling?

A. I may say portions of it are the same, but his sketches conveyed a more perfect idea of the rug than the ceiling; it combined the elements of the ceiling decorations.

Q. 28. How many sketches did you make for Mr. Stroheim?

A. Only one, excepting when the alteration came about; it was simply a charcoal sketch on line paper, conforming to the idea of his sketch, and I took that to him. The sketch as I took it to him had a crown piece for the center, which he seemed very much pleased with; he producing another outline sketch for the center; different shape center.

38 Q. 29. Did you alter your charcoal sketch?

A. I did alter the charcoal sketch at his suggestion. That alteration consisted in taking out the central figure and putting another in its place from his drawings.

Q. 30. The central figure as you first drew it was a crown-shape figure?

A. Yes; as near as I recollect it.

Q. 31. And what you substituted for it is the figure that I have indicated by letter A on the photograph; is this so?

A. Yes, sir.

Q. 32. Was that the only change?

A. That was the only change.

Q. 33. Was this change made from your suggestion or his?

A. From his suggestion and drawings.

Q. 34. Do you mean that he drew that central figure which I have marked A in detail substantially as it is on the photograph?

A. He did. I believe I objected to it at the time as being out of character with the other figures.

Q. 35. In the original sketch or sketches which Mr. Stroheim made for you were the figures which I have marked with the letter B present?

A. That is one of the elements of the design which he sketched out, perhaps not in detail, as they are there, but conveyed the idea of a tulip-shaped figure.

Q. 36. Did the original sketches represent any border around the rug?

A. Yes, in a crude way.

Q. 37. Did the sketches indicate the elements of the border which I have marked C, D and E?

39 A. It will be very difficult to say that it did exactly, but it conveyed the idea as shown there; you must recollect that a crude sketch cannot be made accurately as it is afterwards drawn on design paper.

Q. 38. Did his sketches have the vase-shaped figures such as I have marked F?

A. That is the crown-shaped figure that he had originally in the centre and also made on the sides to conform to the centre in style to a crown-shaped figure.

Q. 39. Did his sketches have the figure G in the corner?

A. It was indicated in the shape as near as any one would be likely to do it in an off-hand sketch.

Q. 40. Did his sketch have in it the fern leaves, one of which I have marked with the letter H?

A. He had a similar figure in there or flower to conform to some of the figures in the ceiling; some might call them fern or some might call them flowers.

Q. 41. Can you point out any other feature or member of the design which was in the sketches made by Mr. Stroheim substantially as it is on the photograph?

A. I don't see any other elements in it other than he has depicted on his sketch.

Q. 42. Question repeated.

A. I cannot.

Q. 43. On how large a piece of paper was the sketch that he gave you?

A. On an ordinary note-paper size. I think it must have been a little smaller.

Q. 44. Did he sketch it there right in your presence?

A. Some of it was sketched and some of it he sketched
40 there in an off-hand way; he conveyed the idea very explicitly, more so than is customary.

Q. 45. Now, will you please tell me why it was that although the sketch he made at his office indicated so well all these details, he wanted you to go to his house to see the ceiling.

A. Simply to gratify a man who, I know from my experience with him, was very particular and precise.

Q. 46. Had you ever made designs for Mr. Stroheim before?

A. Never before or since.

Q. 47. Have you ever seen or heard of any designs made by him before?

A. No; never before or since.

Q. 48. How did you know he was very precise?

A. I am a very good judge of character; his manner was such that I got the idea he was extraordinarily particular in what he wanted done and how he wanted it done.

Q. 49. Do you now mean to testify that the design of that patent was not largely your own work?

A. I do; so far as originating the idea and conformation.

Q. 50. The idea or conformation is a scroll well known to designers, is it not, and known as the renaissance scroll?

A. All books on the subject repeat the same or similar things.

Q. 51. Then it is well known?

A. Renaissance style is well known, I should think.

Q. 52. And these scrolls are well known to designers as renaissance scrolls, are they not?

A. I believe they are.

Q. 53. Please look at the photograph which I now show you and which is marked Respondents' Exhibit Photograph No. 2,
41 and the part which I have marked A, is it the same as the one indicated in the other photograph shown you by the letter A?

(Mr. Fenton objects to the question as not material.)

A. I must say it is not.

Q. 54. Please look at the members of the border which I have marked C, D and E; are these substantially the same figures as are marked with the corresponding letters?

A. They are not substantially the same.

Q. 55. Please tell me whether the scrolls which constitute the main body of the pattern in the photographs are substantially alike in so far as they might both be called renaissance scrolls?

A. I think they are very close; the position of the tulip form is the same.

Q. 56. Is not substantially the whole of the border, or the striking parts of it, such a design as is commonly added by designers to complete a rug?

A. Unless some idea is conveyed to them it is doubtful if they would so closely assimilate it.

Q. 57. Did not you yourself really originate that border and add it to Mr. Stroheim's centre?

A. I think not; he gave me the salient points of it and the crown-shaped figures heretofore mentioned.

Q. 58. Did any one else than yourself and Mr. Stroheim have a hand in the preparing of the design of the patent?

A. His son, Mr. Stroheim, had something to say about the general getting up of the idea before I got there.

Q. 59. Did he draw anything?

A. He did not.

Q. 60. Have you the charcoal sketch?

A. No. I could not —; it was made on design paper and colored up.

42 Q. 61. Did you finish the design as just described?

A. I employed an assistant to do it; I do not know his name.

Q. 62. Did not a person by the name of Harley have something to do with it?

A. I don't know such a person; no, sir.

Q. 63. Can you not give me any clue as to the person who worked out the design?

A. He was a perfect stranger to me; I intended to employ him at the office of the Lowell Co.

Q. 64. Will you swear that your charcoal sketch that you prepared for Mr. Stroheim had in it the fern leaves, one of which is marked with the letter F in the photograph?

A. My charcoal sketch had it in.

Q. 65. You did not personally have any hand in coloring the charcoal sketch of this design?

A. No; other that to suggest to the young man that such colors would be serviceable.

Q. 66. Then this charcoal sketch that you prepared for this patented design was a sketch that you usually make in one of your own designs and hand it to one of the subordinates to work out in detail?

A. That is it.

Q. 67. Have you ever made any such charcoal sketch for anybody except Mr. Stroheim?

A. I never have; the reason I did that was because he was so very particular, and to conform to his ideas, and because if I had gotten up anything original, he would have objected to it.

43 Q. 68. How much of that patent design was on the ceiling of Mr. Stroheim's house?

A. That I could not say.

Q. 69. Did the scroll there have the tulip-shaped figures in it?

A. As nearly as I can remember.

Q. 70. Was the central figure on the ceiling the crown-shaped figure on the figure marked A on the sketch?

A. I do not know; the figure represented on the sketch was crown-shaped.

Cross-examination:

X Q. 71. Was this piece of work which you did for Mr. Stroheim an exception to your work for carpet companies or others by whom you were then employed?

A. It was an exception.

X Q. 72. State the size of the charcoal sketch and what you mean by design paper.

A. The size of the charcoal sketch I think was about 25 or 26 inches square; it was very near the size of the cloth and it represented just one-half of the sketch represented by the pencil line on the drawing exhibit. I may add that I took a looking-glass, if I am not mistaken, to show the repeat, that is, the outer half, to show whether the contour conformed to his idea. Design paper is prepared in squares conforming to the grade of goods for which the design is intended; I mean ruled lines crossing each other at right angles and a design in cut for the Jacquard loom from this ruled paper.

X Q. 73. Does the term of renaissance and renaissance
44 scroll, as understood by designers, cover many varieties of patterns that are technically and substantially different designs? What I mean is, are these generic terms?

A. They are certain figures or classes or things embodying what is termed a renaissance order of design.

X Q. 74. The question is repeated with a request for a little more definite answer.

A. I do not see how they can cover any more than a class of designs.

X Q. 75. Did the work done by your assistant upon the charcoal sketch involve anything more than ordinary draughtsman skill in filling in and coloring?

A. No more than a skillful assistant could do.

X Q. 76. Did you know Mr. Stroheim by reputation before your first interview with him?

A. I never saw or heard of him before.

X Q. 77. What was his business when you first called on him?

A. Wholesale upholstering goods, draperies, etc.

GEORGE C. WRIGHT.

Sworn and subscribed to before me this twentieth day of November, A. D. 1889.

SAMUEL BELL,
U. S. Commissioner, Stipulated Examiner.

Photographs referred to by the witness are offered in evidence by counsel for respondents, and the same are marked Respondents' Exhibit Photograph of Rug, and Respondents' Exhibit Photograph No. 2.

45 SCHOFIELD)
vs.
DUNLAP.)

Met, pursuant to agreement of counsel, March 10, 1890.

Present: H. T. Fenton, Esq., for complainant: Joseph C. Fraley, Esq., for defendant.

Mr. Fenton produces, in answer to the call made by defendant, photographs of the ceiling in Mr. Stroheim's house, which, it is admitted, are correct representations of different portions of said ceiling. It is also admitted, on behalf of complainant, that the ceiling which said photographs represent, and the designs thereon, were made prior to the date of the invention by Mr. Stroheim of the patented design in suit, and that the pattern upon the ceiling was not designed by Mr. Stroheim.

Mr. HENRY DAVIS, a witness on behalf of defendant, having been duly sworn, deposes and says:

Q. 1. Please state your name, residence, age, and occupation.

A. Henry Davis; age, 32; residence, Philadelphia; carpet designer.

Q. 2. How long have you been engaged in making designs for carpets?

A. For the past eighteen years.

Q. 3. Will you please look at the rugs and the photographs of said rugs, in evidence in this case, and which are marked respectively Exhibit No. 2, Exhibit B, and Exhibit Dunlap; also Exhibit Photographs of Rug and Photograph No. 2, and state whether
46 you understand the designs which such rugs and photographs show.

A. I think I understand the design; so far as I can see, the two rugs are drawn in the renaissance scroll.

Q. 4. Do said photographs correctly represent the respective scrolls shown in the rug?

A. They do.

Q. 5. Please state what you know about the general nature and history of the renaissance scroll.

A. The renaissance scroll is a portion of ornament, that is, a style of ornament which stands by itself. It is to be found in Jones' Grammar of Ornament.

Q. 6. How long has it been a recognized feature of decoration?

A. That question I could not answer as to the exact time, but it is a very ancient kind of scroll, and its source may be traced to the early history of the decorative fine arts.

Q. 7. It is a practically well recognized type of scroll under that name, is it?

A. I think so.

FEBRUARY 13, 1890.

Q. 8. Will you please compare the scroll of Exhibit No. 2 and of the photograph which represents it, with the scroll of the other two copies and the photograph which represents them, and tell me whether, in your opinion, they are substantially similar, and whether or not an ordinary purchaser of carpets would be likely to mistake one for the other?

A. So far as the appearance of the design goes, it would seem as though they were both got from the same source.

47 Q. 9. What leads you to say that?

A. The character of the work in both.

Q. 10. What is the prominent feature which would strike the eye of an ordinary purchaser or of a designer in these?

A. The scroll.

Q. 11. Anything else?

A. The character of the scroll.

Q. 12. Please look at the photographs which I now show you, and which are marked Exhibit Stroheim's Ceiling Nos. 1 and 2, and tell me whether or not you find there any form of renaissance scroll.

A. Yes: I find the form in each of them.

Q. 13. Please imagine, if you can, the scrolls in said ceiling photographs embodied in a carpet, and tell me whether or not in your judgment they would resemble the scrolls upon the carpets now before you.

A. Yes, sir; they would resemble the carpets if they were worked into the carpet.

Q. 14. Please compare the defendants' scroll and the complainants' scroll with the scrolls shown in the photographs of the ceiling, and state whether or not, so far as the ordinary purchasers are concerned, there would be any distinction between scrolls of that character if they were woven into rugs.

A. I think there would be a difference: that one, referring to Exhibit 2, is more open than Exhibit B: I think anybody could see that, whether they were a designer or not.

Q. 15. How is it in the case with the photographs of the ceiling?

A. They are more or less open: the photographs of the

48 ceiling seem to be about the same, so far as being open is concerned.

Q. 16. You have said that in your judgment you should suppose that the defendant's scroll and the complainant's scroll had both been taken from the same source: if it should appear in evidence that they were taken from the ceiling, whose photographs you hold in your hand, will you please say whether or not, as a designer, that source would be such a one as you had in mind?

A. Well, as to that, I could not say, because the renaissance scroll is the same all the world over: there may be a sample of wall-paper with a renaissance scroll and a sample of the ceiling with a renaissance scroll, and they would still be a renaissance scroll, but the same would be two different things, yet from the same source and style of ornament.

JACOB CROUSE, a witness on behalf of defendant, having been duly sworn, deposes and says:

Q. 1. Please state your name, age, residence and occupation.

A. Jacob Crouse; reside in Philadelphia; retail carpet business.

Q. 2. How long have you been connected with that business?

A. Thirty-six years.

Q. 3. Are you familiar with the habits of customers and with the business generally?

A. Yes, sir.

Q. 4. Please look at the rugs now shown you and marked Exhibit 2 and Exhibit B and Exhibit Dunlap, and state
49 whether you understand the nature of the design on those rugs.

A. I understand the nature of the designs; yes, sir. I would not take them to be the same design.

Q. 5. Will you please say whether or not, in your judgment, an ordinary purchaser would be misled in mistaking the design in Exhibit B for the design in Exhibit 2?

A. I should not think so, without the color would deceive them; the similarity of color, that is all; so far as the patterns are concerned, I should not think so.

Q. 6. What is the fact about the habits of the purchasers in regard to color in this respect; supposing two different designs where the general nature of the colors were the same, and supposing two similar designs where the colors were totally different, which would be the more likely to be mistaken by an ordinary purchaser?

A. The colors would be more likely to be mistaken than the design.

Q. 7. Please compare Exhibit Dunlap with Exhibit No. 2, and tell me whether or not in your judgment it would be possible for any ordinary purchaser to mistake one for the other?

A. In my judgment, ninety-nine out of one hundred would think it was altogether a different design.

Q. 8. In so far as there is any similarity between the Exhibit No. 2 and Exhibit B, will you please tell me what it depends on?

A. It would depend altogether upon the scroll.

Q. 9. What kind of scroll is there in both rugs?

A. The renaissance scroll.

Q. 10. Will you please look at the photographs which I now hand you, marked Exhibit Stroheim Ceiling 1 and 2, and
50 tell me whether there is a renaissance scroll in the patterns of this ceiling?

A. Yes, sir.

Q. 11. Will you please imagine the scroll of that ceiling woven into a design for rugs of the same size and general color as those which have been shown you, and state whether or not in your judgment there would be any general resemblance between them and the actual rugs now before you?

A. I should think there would be, yes, sir; in my judgment there would be.

Q. 12. Would an ordinary purchaser be any more likely to mistake the defendant's rug for the complainant's than he would be to mistake a rug with the scroll of the ceiling woven into it for the complainant's?

A. They would not.

Cross-examination.

By Mr. FENTON:

Q. 13. What proportion of a hundred customers would, with a critical comparison, say that the design Exhibit Dunlap was the same as design Exhibit B?

A. I should think there would be more than one out of a hundred that would detect the similarity of design, but I would not like to say as to colors.

Q. 14. Look at Exhibit No. 2, and compare it with Exhibit Strobeim Photographs, and say if your answers were based entirely upon a resemblance between them in renaissance scrolls, and not with any other part of the patented design.

A. That is all, sir.

51 Redirect examination.

By Mr. FRALEY:

Q. 15. So far as the pattern is concerned in any of those rugs which have been shown you, what part of it would be that which would catch the eye of the ordinary purchaser?

A. In that rug, I should think the scroll would.

Recross-examination.

By Mr. FENTON:

Q. 16. Do you make the same answer with respect to Exhibit Dunlap?

A. No, sir.

Q. 17. What is the distinguishing feature, then, in Exhibit Dunlap, which would catch the public eye?

A. Well, the colors.

Q. 18. Not the design?

A. Not so much the design as the colors primarily.

(Signatures of witness waived.)

JAMES R. THOMPSON, a witness on behalf of defendant, having been duly affirmed, deposes and says:

Q. 1. State your name, residence, and occupation.

A. Reside at Philadelphia; name, James R. Thompson; carpet dealer at 1220 Market street, and have been connected twenty-three years with the retail carpet business.

Q. 2. Have you had any experience with the habits of ordinary customers?

A. I have had experience with such customers.

52 Q. 3. Please look at the rugs before you, marked Exhibit 2 and Exhibit B, and state whether you understand the designs upon those rugs.

A. Only from what I have heard them named. I would not know the style of the scroll, any more than having heard of it this morning, being called a renaissance scroll.

Q. 4. Will you please state, whether or not, in your judgment as a dealer, an ordinary customer would be likely to mistake one of those rugs for the other, by reason of its design?

A. Not having the two together they would not; no, sir.

Q. —. When the two are together, what difference would it make?

A. It would be very easy to distinguish one from the other.

Q. 6. What is the prominent feature in each of those rugs that would catch the eye of the purchaser?

A. I don't think one is to be compared with the other; there is an entire difference, both in the scroll and in the central figures and in the bordering.

Q. 7. What part, if any, of these rugs would catch the eye most of an ordinary customer who came into the store?

A. That is a hard question to answer, there is such a diversity of opinion as to figures and scrolls and different things; I should imagine that the scroll was one.

Q. 8. Is it similarity of design or similarity of color, ordinarily and without regard to those rugs now before you, which ordinary retail purchasers look at, and which is liable to make them mistake one carpet for the other?

A. Color, sir; I would not hesitate in either case if I was short of one to send the other for it, on account of its color, not of its design.

53 Q. 9. Please look at the photographs which I now show you, marked Exhibit Stroheim Photographs Nos. 1 and 2, and tell me whether you find in those photographs any scroll of the same general character as that upon the rug?

(Mr. Fenton objects, because the witness has stated that he is not familiar with the character and centre piece of either rug, and it is apparent that he is competent only to compare rugs, and not abstract designs with finished designs.)

A. I do; yes, sir.

Q. 10. Take the scrolls which are represented upon that ceiling, of the character which has been called here to-day renaissance, and state whether you can imagine those worked into a rug or carpet of substantially the same size as those now before you.

A. I could; yes, sir.

Q. 11. Leaving aside the question of color, would there be any less resemblance between such a rug with the scroll of the ceiling and the complainants' rugs, Exhibit 2, than there is between Exhibit B and Exhibit 2?

A. I cannot imagine that there would be any less resemblance between the two; no, sir.

Q. 12. If an ordinary purchaser's ideas about designs were such as to make him mistake the defendants' rug for the complainants', would he or not, in your judgment, be likely to mistake the rug with the scroll of the ceiling in it equally well?

A. Speaking of an ordinary customer, I should imagine that he would be, unless he was critical in his examination of the scrolls.

54 Cross-examination.

By Mr. FENTON:

X Q. 1. Do you find anything on Exhibit Stroheim's Photographs at all resembling rug, Exhibit No. 2, except as you say, the renaissance scroll?

A. No, sir; I cannot see that there is.

X Q. 2. Do you consider that it is color alone that catches the public eye in determining the identity of designs?

A. In the majority of cases; yes, sir.

X Q. 3. Have you ever seen a design upon design paper before it was worked into a rug?

A. I have.

X Q. 4. How often?

A. About a hundred times, sir.

X Q. 5. Then, according to your views, ninety-nine per cent. of the general public would not, without critical examination and comparison, detect the similarity of design between Exhibit B and Exhibit Dunlap?

A. That is my idea, sir.

Signature of witness waived.

JOHN W. MARTIN, a witness on behalf of defendant, having been duly sworn, deposes and says:

Q. 1. Please state your name, residence and occupation.

A. John W. Martin; residence, Philadelphia; and occupation, in the commission carpet business.

Q. 2. How long have you been connected with the carpet business?

A. About twenty-two years.

55 Q. 3. Are you familiar with carpet designs and the habits of the trade in relation thereto?

A. Yes, sir.

Q. 4. Please look at the rugs marked Exhibit 2 and Exhibit B, and state whether you understand the design on those rugs.

A. I do.

Q. 5. What is the striking feature of each rug which would catch the eye of an ordinary purchaser?

A. The fact of their being scrolls.

Q. 6. Do you know what scrolls of that character are called?

A. Renaissance.

Q. 7. Will you please look at the photographs marked Stroheim ceiling Nos. 1 and 2, and tell me whether you find upon that ceiling any scrolls of the same general character?

A. Yes, sir.

Q. 8. Can you imagine the scrolls of that ceiling worked into a pattern for rugs of the same size and general character as those now before you?

A. Yes, sir; very readily.

Q. 9. Will you please state whether or not, in your judgment, there would be any greater resemblance between the defendants' rug, Exhibit B, and the complainants' rug, Exhibit 2, than there would be between the rugs with the scrolls of that ceiling worked into them and the complainants' rug, Exhibit 2?

A. I can see quite a resemblance between the ceiling and the complainants rug, and in a rug drawn from the ceiling and this one, Exhibit B.

56 Q. 10. What is your experience with regard to resemblance of colors as compared with resemblance of design in making ordinary people mistake one carpet for the other?

A. The color is the main feature which deceives them.

Cross-examination.

By Mr. FENTON:

X Q. 1. Did you ever see a design cut on design paper before being worked into a rug?

A. Yes, sir; a good many of them.

X Q. 2. Is it exclusively the scroll pattern of the ceiling that you think resembles Exhibit No. 2?

A. Well, I should say that there is more resemblance from the fact of its being a scroll on the ceiling; I do not refer to the scroll alone, although the scroll is the main feature of it.

X Q. 3. What else do you refer to?

A. The character of the work.

X Q. 4. What do you call the character of it?

A. The outlining of it.

X Q. 5. The outline of what part?

A. I should say as a whole. In other words, I should say that the designer who drew Exhibit 2 either did it from this ceiling or something very much like it.

X Q. 6. Compare Exhibit No. 2 with Exhibit Stroheim Ceiling; are you as equally sure that the patterns are alike as you are that the scrolls are alike?

A. They are not exactly alike in either case; they have to be altered a little to suit the fabric. They cannot make an absolute copy.

X Q. 7. If I understand you, you consider that the borders of the ceiling and the rug, Exhibit 2, are as near like each other

57 as the scroll of the ceiling is like the scroll of the rug?

A. You either don't understand me or I don't understand you. My answer was as I supposed your question to be, in regard to the rug without the border. The border is different.

X Q. 8. Your answers had no reference to the border?

A. None whatever; there is no resemblance of any kind at all in the border.

X Q. 9. Your testimony, then, is based as respects the rug proper, upon the fact that the rug and ceiling both contain renaissance scrolls generally; is that so?

A. Well, they are very similar.

Signature of witness waived.

It is stipulated and agreed, between counsel, that the affidavit of Philip C. Schafer, heretofore taken, may be read and used at the hearing with the same effect as if he had been examined as a witness in the case before the examiner.

The said affidavit is as follows:

PHILIP C. SHAFFER, having been duly sworn, deposes and says:

I have been engaged in the carpet business, at Philadelphia, for five and one-half years, and am thoroughly familiar with carpet designs, and with the characteristics thereof which strike the eye of an ordinary purchaser. I have examined the rugs marked, respectively, Exhibit B and Exhibit 2, and also a copy of design patent No. 18996, dated April 2, 1889.

The rug, Exhibit B, is substantially different in design from the rug, Exhibit 2, and from the photograph attached to said
58 patent. Even with the resemblance in the shades of the ground and of the figure, which is found in the two rugs, I believe that no ordinary purchaser would mistake one design for the other and, of course, to the eye of an expert they are absolutely different.

The scroll in Exhibit 2 strikes the eye as a single, complete figure, while in Exhibit B, that which strikes the eye is a group of three nearly circular figures: the central wreath being more strikingly marked as a circular wreath than as a part of the scroll, and the much more complete covering of the ground in the rug Exhibit B than in the rug Exhibit 2, still further detracts from the supposed resemblance.

PHILIP C. SHAFFER.

Sworn and subscribed before me this sixth day of June, A. D., 1889.

CHARLES F. ZIEGLER,
Notary Public.

Defendant rests.

59 And afterwards, to wit, on the 21st day of April, A. D. 1890, come the parties aforesaid, by their solicitors aforesaid, and this cause being called for argument on final hearing, and having been argued by counsel for the respective parties, and the court not being fully advised in the premises, takes further time to consider thereof.

And afterwards, to wit, on the 9th day of April, A. D. 1890, come the parties aforesaid, by their solicitors aforesaid, and the court being now fully advised in the premises, files the following opinion, to wit:

60 In the Circuit Court of the United States in and for the Eastern District of Pennsylvania.

SCHOFIELD, MASON & CO.
vs.
DUNLAP AND SONS.

BUTLER, *J.*:

The suit is for infringing letters patent No. 18996, "design for rugs."

The patent, we think, is valid. This question is not free from doubt, but there is nothing in the proofs sufficient to repel the usual presumption in its favor.

The infringement is reasonably clear. The dominant and characterizing features of the plaintiffs' and defendants' rugs are substantially identical. The plaintiffs are therefore entitled to an injunction.

Are they entitled to damages also? This is the only serious question presented.

Section 4900 of the Revised Statutes provides: "It shall be the duty of all patentees, and their assigns and legal representatives, and of all persons making or vending any patented article for or under them, to give sufficient notice to the public that the same is patented; either by fixing thereon the word 'patented,'
61 together with the day and year the patent was granted; or when, from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is inclosed, a label containing the like notice; and in any suit for infringement, by the party failing so to mark, no damages shall be recovered by the plaintiff, except on proof that the defendant was duly notified of the infringement, and continued, after such notice, to make, use, or vend the article so patented."

The plaintiffs are within the section; they manufacture the rug. While the evidence respecting this is meagre, it is nevertheless sufficient.

There is no proof that the word "patented" was affixed, nor that notice was given, as required by the section. The word is found on the rug exhibited; but as this came from the plaintiffs' hands, without explanation of the time when, or circumstances under which, it was stamped, the fact is unimportant.

The bill avers notice in apparent conformity with the alternative provision of the section, and without explanation this might possibly be taken as an admission of neglect to mark, especially in the absence of contrary evidence. The notice is only required in
62 case of such neglect, and can be of no advantage under other circumstances. With the explanation before us, however, the

averment cannot be accorded this effect. It would be improper to refer it to the statute. An examination shows that similar averments of notice or knowledge are found generally in injunction bills, no matter what the wrong complained of. It's office, doubtless, is to show aggravation and enhance the claim to protection.

While the averment is denied, the proofs are silent respecting it. If the issue is unimportant, its introduction must be treated as surplusage. If it is regarded as raising the question whether the plaintiffs performed the duty of marking, on whom is the burden of proof? The form of the issue is immaterial. If the plaintiffs are entitled to a presumption of performance, their averment will not, of course, shift the burden to them. If it is on the defendants, their answer is sufficient to raise the question and admit the proof.

Marking the goods or notifying the infringer is a prerequisite to the claim of damages. The object of the section is reasonably plain. To mulct an infringer, who is ignorant of the patent, and without reasonable means of information, in damages is unjust.

63 They frequently exceed the profits realized from infringement and operate as punishment. While knowledge might be inferred (and in the absence of this statute would be), from the Patent Office record, the implication would be weak; and when applied to such a case would be unjust. In most instances infringers would be ignorant of the patent. Congress, therefore, imposed on patentees the duty of marking their manufactures in the manner stated, and made compliance a condition of the right to recover damages, "except on proof that the defendant was notified of the infringement, and continued after such notice." Marking or notice is therefore the foundation of the right to damages. The one or the other must consequently be established to justify recovery.

If marking is omitted and notice relied upon, the burden is on the plaintiff. The section, as we have seen, so places it in express terms. As marking is a condition of the right to recover damages, it must, as before observed, be established, either by proof or inference. It is a little difficult to understand why it should be inferred. It is not like questions of novelty, invention, and others involving the patent, which are held to be matters of defense. They are so held because of presumptions arising from the patent or be-

64 cause of statutory provision. It is true that statutes of limitation must be pleaded generally, and that they bear some analogy to this section. The ruling, however, which requires this was arbitrary, applying at first to certain cases only, and was then rested on the ground that the debt is still due in conscience, and should be considered so in law, unless the statute is interposed. All such legislation was formerly unpopular and begrudgingly administered, even by the courts.

In the absence of contrary authority we would, therefore, feel inclined to hold the plaintiff to proof. There is authority, however, which cannot be disregarded. The Rubber Co. *vs.* Goodyear, 9 Wall., 788, we think, involved the question. The plaintiff neither averred nor proved compliance with the section. Before the master, his claim to damages was opposed for this reason. The court overruled

the objection on the ground that "the pleadings did not raise the question," and "that compliance with the statute was therefore admitted." The court says: "It is urged that the bill contains no averment on this subject, and that the record is barren of proof that any notice was given the defendant, except by service of the writ.

65 Hence, it is insisted that the master should have commenced his account at that time, instead of the earlier period when the infringement began. His refusal to do so was made the subject of exception. The defendants' answer is as silent regarding it as the bill. No such issue was made. It was too late to raise the point before the master. The defendants were precluded by their previous silence, and must be held to have waived it." From this ruling it is plain that the court treated the question as matter of defense, to be presented and proved by the defendant. While this conclusion might possibly have been more clearly expressed, the language and ruling will not bear any other construction. If the duty of presenting the question and furnishing proof to establish performance was on the plaintiff, his failure to raise it and furnish the proof would not preclude the defendants' objection when made. It would have been sufficient in such case to point (as the defendants did) to the fact that the plaintiff had not laid the necessary foundation for his claim; it could not have been held that the defendant had waived his right to object. It is only on the hypothesis that he was bound to set up and prove non-compliance with the duty that his silence on the subject could be held to estop him. This case

66 must, therefore, be regarded as deciding that the burden of proof in such cases is on the defendant; that in the absence of proof performance is to be inferred.

In Goodyear *vs.* Allyn, 6 Blatchf., 33, the question was not directly involved. The application was for a preliminary injunction. The court nevertheless considered it, and, while what is said is but a dictum, it is the expression of an eminent judge (Blatchford) and is entitled to weight. He says: "It was for the defendant to show failure to mark the articles, and then the burden of proof would be on the plaintiff to show that before suit the defendants were notified that they were infringing the patent." This language is unambiguous. Again, in Herring *vs.* Gage, 15 Blatchf., 129–130, Judge Wallace says, "it is insisted for the defendant that no damages are recoverable because the device was not marked 'patented' under section 4900 of Rev. Stat. The statute has no application to a case like this. If it had, the defendant could not avail himself of the defense, because it is not set up in the answer," citing Rubber Co. *vs.* Goodyear. This also is but a dictum. It nevertheless shows the court's understanding of the question.

67 The interpretation of the statute by the bar, as shown in practice, is entitled to much weight. Investigation has satisfied us that this interpretation is in conformity with the views expressed in the cases mentioned. From the enactment, the statute down, the bar has proceeded upon the hypothesis that the burden of averring and proving failure to mark is on the defendant.

No case has been found in which the plaintiff was held to proof of marking in the first instance.

A decree must therefore be entered in the plaintiff's favor for damages as well as for an injunction.

Is he entitled to the benefit of the statute of Feb. 4th, 1887, relating to design patents? This statute does not apply to all infringers. One who innocently infringes, in ignorance of the patent, is not within its provisions. It contemplates a wilful appropriation of the design. The words, "apply the design secured by such letters patent or any colorable imitation thereof," clearly imply knowledge of the design. It could not be "applied" without such knowledge, and a different reading would render the words, "or a colorable imitation thereof," unmeaning. Other language employed leads to the same conclusion. We entertain no doubt on this subject, and need not enlarge upon it.

68 A comparison of the plaintiff's and defendant's rugs justify a belief that the latter was copied from the former. While the conclusion does not necessarily follow that he had knowledge of the patent, we must, for the reasons before stated, infer he had, in the absence of proof to the contrary. Presuming the rug to be marked, we must hold him to such knowledge under the circumstances.

A decree will be entered accordingly.

NOTE.—Since preparing the foregoing opinion we find the principle point discussed is considered briefly in Mr. Walker's excellent book on Patents, at sec. 483, and the failure to mark patented articles treated as a defense. I have also since seen the case of McComb *vs.* Brodie, 1 Woods' R., 153, in which a different view was adopted. The question does not, however, appear to have been discussed in this case.

(Endorsed:) 37. April sess., 1889. C. C. U. S., E. D. of Pa. Schofield *et al. vs.* Dunlap *et al.* Opinion ordering that a decree be entered in favor of plaintiffs for damages as well as for an injunction. Filed May 9, 1890.

69 And afterwards, to wit, on the 13th day of May, A. D. 1890, the court enters the following decree, to wit:

70 In the Circuit Court of the United States in and for the Eastern District of Pennsylvania.

BENJAMIN SCHOFIELD, JR., EDWARD F. MASON, and George N. Schofield, Copartners, Trading as Schofield, Mason & Co., *vs.* JOHN DUNLAP, JAMES DUNLAP, and JOHN Dunlap, Jr., Copartners, Trading as J. Dunlap & Sons.	April Sess., 1889. No. 37. In Equity.

And now, May 13th, A. D. 1890, this cause having come on to be heard at this term of the court on the pleadings and proofs, and the same having been duly considered by the court, it is ordered, adjudged, and decreed that the letters patent recited in the bill of complaint, viz., design letters patent No. 18996, dated April 2, 1889, granted to complainants, as assignees of Julius Stroheim, are good and valid; that the title thereto is duly vested in the complainants, and that the said defendants have infringed upon the exclusive rights of the complainants as secured to them by said letters patent by making and selling rugs bearing a design in imitation of and substantially similar to the design for rugs shown, described, and claimed in said letters patent.

71 And it is further ordered, adjudged, and decreed that a writ of perpetual injunction issue as prayed in the bill, enjoining and restraining the said defendants, their servants, agents, and workmen, from any further violation of the exclusive rights of complainants as secured to them by said letters patent.

And it is further ordered, adjudged, and decreed that the complainants do recover of the defendants the sum of two hundred and fifty dollars as penalty and damages for the said infringement (the complainants having at bar, on the entry of this decree, waived their right to an account of profits or other damages in excess of said sum), and that the complainants do recover of the defendants their costs and charges by them expended in and about their suit in this behalf usual and proper to be taxed in the cause.

(Endorsed:) No. 37. April sess., 1889. C. C. U. S., E. D. of Pa. Schofield *vs.* Dunlap. Final decree. Filed May 13, 1890.

72 And afterwards, to wit, on the 13th day of May, A. D. 1890, the respondents, by their solicitor, comes into court here and prays an appeal to the Supreme Court of the United States from the decree of this court entered May 13, 1890, which, being read, is in the words and figures following, to wit:

SCHOFIELD *et al.* *vs.* DUNLAP *et al.* } No. 37. April Sess., 1889.

And now, to wit, this 13th day of May, A. D. 1890, Joseph C. Fraley, Esq., counsel for respondents, appears in open court and

prays an appeal to the Supreme Court of the United States from the decree of this court entered and filed May 13th, 1890, and the same is allowed with security to be entered in the sum of
73 seven hundred dollars ($700).

(Endorsed:) No. 37. April sess., 1889. C. C. U. S., E. D. of Pa. Schofield *et al. vs.* Dunlap *et al.* Order allowing appeal to Supreme Court. Filed May 13, 1890.

74 THE UNITED STATES OF AMERICA, *ss:*

To Benjamin Schofield, Jr., Edward F. Mason, and George N. Schofield, copartners, trading as Schofield, Mason and Co., Greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States, to be holden at Washington on the second Monday of October next, pursuant to an appeal filed in the clerk's office of the circuit court of the United States for the eastern district of Pennsylvania, in the third circuit, wherein John Dunlap, James Dunlap, and John Dunlap, Jr., copartners, trading as J. Dunlap and Sons, are appellants and you are appellees, to show cause, if any there be, why the judgment rendered against said appellants, as in said appeal mentioned, shall not be corrected and why speedy justice should not be done to the parties in that behalf.

Witness my hand this 17th day of July, in the year of our Lord one thousand eight hundred and ninety.

WM. BUTLER, *Judge,*

Service accepted July 26, '90.

H. T. FENTON,
Counsel for Pl'ffs, Appellees.

75 In the Circuit Court of the United States in and for the Eastern District of Pennsylvania, in the Third Circuit.

BENJAMIN SCHOFIELD, JR., EDWARD F. MASON, and GEORGE N. SCHOFIELD, Copartners, Trading as Schofield, Mason and Co.,	
vs.	No. 37. April Sess., 1889.
JOHN DUNLAP, JAMES DUNLAP, and JOHN Dunlap, Jr., Copartners, Trading as J. Dunlap & Sons.	

Know all men by these presents that we, John Dunlap, James Dunlap, and John Dunlap, Jr., copartners, trading as J. Dunlap and Sons, of Philadelphia, Penna., as principals, and Edward L. Foulkes, of Philadelphia, Pennsylvania, as surety, are held and firmly bound unto the above-named Benjamin Schofield, Jr., Edward F. Mason, and George N. Schofield, copartners, trading as

Schofield, Mason and Co., in the sum of seven hundred dollars, to be paid to the said Benjamin Schofield, Jr., Edward F. Mason, and George N. Schofield, copartners, trading as Schofield, Mason & Co., their certain attorney, executors, administrators, or assigns; to which payment, well and truly to be made, we bind ourselves, our respective heirs, executors, and administrators, jointly and severally, by these presents.

Sealed with our seals and dated this first day of July, A. D. 1890.

Whereas lately, at a circuit court of the United States in and for the eastern district of Pennsylvania, in the third circuit, in a suit depending in the said court between Benjamin Schofield, Jr., *et al.* and John Dunlap *et al.*, a final decree was rendered against the said John Dunlap *et al.*, and the said John Dunlap *et al.* having taken an appeal, which appeal has been allowed by the said circuit court, to the Supreme Court of the United States to reverse the said decree in the aforesaid suit:

76. Now, the condition of this obligation is such that if the said John Dunlap *et al.* shall prosecute their said appeal to effect and answer all damages and costs if they shall fail to make their appeal good, then this obligation to be null and void; otherwise to remain in full force and virtue.

JOHN DUNLAP. [L. S.]
JAMES DUNLAP. [L. S.]
JOHN DUNLAP, JR. [L. S.]
EDW L. FOULKES. [L. S.]

Sealed and delivered in the presence of—
JOSEPH W. BENNETT.
SAM'L J. CONNER.

Surety approved:
WM. BUTLER, *Judge.*

[Endorsed:] No. 37. April sess., 1889. Circuit court United States. Schofield *et al. vs.* Dunlap *et al.* Bond surappeal. Filed July 1, 1890.

77 UNITED STATES OF AMERICA, }
Eastern District of Pennsylvania, } *set:*

I, Samuel Bell, clerk of the circuit court of the United States of America for the eastern district of Pennsylvania, in the third circuit, do hereby certify the foregoing to be a true and faithful copy of the original pleas and proceedings in the case of Benjamin Schofield, Jr., *et al. vs.* John Dunlap *et al.*, No. 37, April session, 1889, on file and now remaining among the records of the said court in my office.

In testimony whereof I have hereunto subscribed my name and affixed the seal of the said court, at Philadelphia, this 26th day of July, in the year of our Lord one thousand eight hundred and ninety, and of the Independence of the United States the one hundred and fifteenth.

Seal U. S. Circuit Court, E. D., Pennsylvania.

SAMUEL BELL,
Clerk of C. C.

[Endorsed:] No. —. —— Sessions, 188–. Circuit court United States, eastern district of Pennsylvania. Certified copy.

Endorsed on cover: Case No. 14,101. E. Pennsylvania C. C. U. S. No. 149. John Dunlap, James Dunlap, and John Dunlap, Jr., copartners as J. Dunlap & Sons, appellants, *vs.* Benjamin Schofield, Jr., Edward F. Mason, and George N. Schofield, copartners as Schofield, Mason & Co. Filed August 12, 1890.

Office Supreme Court U. S.
FILED.
DEC 5 1893
JAMES H. McKENNEY,
CLERK.

No. 149. October Term, 1893.

Supreme Court of the United States.

John Dunlap, James Dunlap, and John Dunlap, Jr., Copartners as J. Dunlap & Sons, Appellants,

vs.

Benjamin Schofield, Jr., Edward F. Mason, and George N. Schofield, Copartners as Schofield, Mason & Co., Appellees.

BRIEF FOR APPELLANTS.

JOS. C. FRALEY,
For Appellants.

Allen, Lane & Scott, Prs., Phila.

SUPREME COURT OF THE UNITED STATES.

John Dunlap et al., *Defendants below and Appellants,*

vs.

Benjamin Schofield, Jr., et al., *Complainants below and Appellees.*

October Term, 1893.

Term No. 149.

BRIEF ON BEHALF OF APPELLANT.

I.

STATEMENT OF CASE.

This is an appeal from the Circuit Court of the United States, of the Eastern District of Pennsylvania, from a decree in favor of the appellees, who were the complainants below, in a bill in equity filed for infringement of design letters patent No. 18,996, issued to them under date of April 2d, 1889. The patent having been granted only for the term of three and one-half years from said date, has expired *pendente lite.*

The bill averred the novelty and other statutory prerequisites to the grant of the patent, the assignment of the invention to the complainants prior to issue, and the grant of the patent to the complainants in pursuance thereof. It further averred that the invention was of great practical use and benefit to the complainants, and that they had applied the same to large and extensive use and had expended large sums of money in introducing the invention; it further averred that the defendants had infringed upon the patent, and followed this charge by an averment, which, from its importance to the issues involved, is quoted in full.

"And your orators further show unto your Honors, that your orators, after the issue of the aforesaid letters patent, notified the said defendants of the issue of said letters patent, of their infringement thereof, and requested them, the said defendants, to abstain and desist from any further violation thereof in infringement of your orators' rights thereunder in the manufacture and sale of rugs bearing said patented design."

"But so it is, may it please your Honors, that the said defendants, as your orators are informed and believe, without the license of your orators and against their will and in violation of their rights, have made, used and sold, and intend to continue still to make, use, and sell, the said improvement within the Eastern District of Pennsylvania and elsewhere, all of which is a violation of the said letters patent and assignments."

The answer admitted the grant of the patent, but denied all the other allegations of the bill touching the novelty and originality of the design. It averred that the design was copied from an old design for wall-paper, well known to the alleged inventor, and further averred that the only feature of the design was an old and well-known scroll, common in decorations for centuries past, with which every designer skilled in the art was familiar. It denied the public knowledge and acquiescence in the complainants' rights.

In answer to the averments of the bill, above quoted *in extenso*, as to notice and infringement, it contained the following denial:—

"They deny that after the issue of the aforesaid letters patent these complainants notified these defendants of the issue of said letters patent, or of their infringement thereof, and requested the said defendants to abstain and desist from infringement of complainants' alleged rights thereunder, in the manufacture and sale of rugs bearing said patented design."

"They deny that they have been or are now unlawfully making, using, or vending said patented design or any design substantially similar thereto, or that they have in any manner infringed upon said letters patent, and they further deny that

they have made any profit, or that the complainants have suffered any damage by reason of any unlawful acts in the premises."

Proofs having been taken, the case went to final hearing before the Honorable William Butler, District Judge, and on the thirteenth day of May, 1890, a decree was entered on behalf of the complainants. This decree (Record, page 37) adjudged that the patent was good and valid, that the title thereto was duly vested in the complainants, and that the defendants had infringed thereon by making and selling rugs bearing a design made in imitation of and substantially similar to the design for rugs described and claimed in said letters patent. It was ordered that a perpetual injunction should issue as prayed, and that the complainants should recover of the defendants the sum of $250 as "penalty and "damages for the said infringement, the complainants having "at bar on the entry of this decree, waived their right to an "account of profits or other damages in excess of said sum."

The opinion of the court below, under which this decree was entered, is found on pages 33 to 36, both inclusive, of the record.

The questions involved below were:—

1. The validity of the patent;

2. The issue of infringement;

3. The question on whom the burthen of proof rested, where non-compliance with the statutory requirement, as to marking articles with the word "Patented" and date of the patent, was relied on to prevent a recovery of damages; and,

4. The question of the right to recover the sum of $250 as penalty and damages, such decree having been entered under the Act of February 4th, 1887, relating to design patents.

II.

ASSIGNMENT OF ERRORS.

1. The learned judge erred in holding that the burthen of proof was on the defendants to show that the complainants

had failed to mark their goods "patented," in conformity with the revised statutes.

2. The learned judge below erred in adjudging that the complainants were entitled to recover the sum of $250 from the defendants as penalty and damages for the said infringement.

III.

BRIEF OF ARGUMENT.

The substantial point presented for consideration in this appeal is the question raised by the second assignment of error, viz., whether the complainants were entitled to recover the penalty provided in the Act of February 4th, 1887, under the circumstances of this case. The first assignment of error will only be considered as a branch of this main question.

This Act, being very short, is quoted in full.

"*Be it enacted, &c.*, That hereafter, during the term of letters patent for a design, it shall be unlawful for any person other than the owner of said letters patent, without the license of such owner, to apply the design secured by such letters patent, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or to sell or expose for sale any article of manufacture to which such design or colorable imitation shall, without the license of the owner, have been applied, knowing that the same has been so applied."

"Any person violating the provisions, or either of them, of this section, shall be liable in the amount of $250; and in case the total profit made by him from the manufacture or sale, as aforesaid, of the article or articles to which the design, or colorable imitation thereof, has been applied, exceeds the sum of $250, he shall be further liable for the excess of such profit over and above the sum of $250."

"And the full amount of such liability may be recovered by the owner of the letters patent, to his own use, in any

Circuit Court of the United States having jurisdiction of the parties, either by action at law or upon a bill in equity for an injunction to restrain such infringement."

"SEC. 2. That nothing in this Act contained shall prevent, lessen, impeach, or avoid any remedy at law or in equity which any owner of letters patent for a design, aggrieved by the infringement of the same, might have had if this Act had not been passed; but such owner shall not twice recover the profit made from the infringement."

Appellant contends:—

First.—Under section 4900 of the Revised Statutes, an essential condition to the recovery of damages for infringement of any patent, where the patentee makes or vends the patented article, is that he shall have marked his goods with the word "patented," together with the day and year that the patent was granted; or, that where the patentee fails to so mark, the defendant shall have been notified of the infringement and continued after such notice to make, use, or vend the article so patented.

Second.—An essential condition to the recovery of the penalty set forth in the Act of the 4th of February, 1887, is that the defendant shall be shown to have had notice or knowledge of the patent and to have applied the patented design with such knowledge.

FIRST.

Design patents are, *quoad* the subject-matter in question, covered by the general patent law. See section 4933 of the Revised Statutes.

The general patent law contains the following provision (section 4900 of the Revised Statutes):—

"It shall be the duty of all patentees, and their assigns and legal representatives, and of all persons making or vending any patented article for or under them, to give sufficient notice to the public that the same is patented; either by affixing thereon the word "patented," together with the day and year the patent was granted; or when, from the character of

the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is inclosed, a label containing the like notice; and in any suit for infringement, by the party failing so to mark, no damages shall be recovered by the plaintiff, except on proof that the defendant was duly notified of the infringement, and continued, after such notice, to make, use, or vend the article so patented."

The complainants were found by the court below to be manufacturers of the patented article and within this provision. It is submitted that under this section the complainants must, to recover damages, aver and prove one of the alternatives contained therein, *i. e.*, marking (which is constructive notice), or actual notice.

In the present case the bill did not aver marking, but did aver notice (see page 2, *supra*), and the answer specifically denied such notice. No proof of notice was offered. Possibly the averment of notice could have been sustained by proof that complainants' goods had been marked patented, but there was no evidence whatever on either point.

The learned judge below, however, treated the averment of notice as if it had not been directed to the point under consideration, but was merely a general statement proper to injunction bills, as tending to show circumstances of aggravation.

He thereupon decided the case as though the pleadings were silent upon the subject, and, deeming himself constrained by the decision of this court in Rubber Company *vs.* Goodyear, 9 Wallace, 788, and, apparently against his own impression, held that it was not necessary for the complainant to aver compliance with one of the alternatives provided by the statute in section 4900, but that it was incumbent upon the defendants, if they desired to raise the point, to set the same forth as an affirmative matter of defense, wherein the burthen of proof rested upon them.

It is submitted that the learned judge erred in thus rejecting, as unimportant, a plain issue tendered by the bill and joined in the answer. It is immaterial whether the averment respecting notice might have some additional

effect in entitling the plaintiffs to an injunction. The defendants had a right to treat it, and did treat it, as a general averment of notice, and to deny it for all the purposes for which said denial could avail them.

If the appellants are right in this view, the case ends here, for there is no pretense that any proofs have been offered on behalf of the complainants upon this issue, and as no right to recover can exist unless the issue be found for the complainants, the decree for damages is clearly erroneous.

On the other hand, even if the pleadings be construed as silent, it is respectfully submitted that the learned judge misinterpreted the decision of this court in Rubber Company *vs.* Goodyear.

An examination of the original records of that case shows that there was absolutely no averment in the bill upon either the subject of marking or notice by the complainant, and no word in the answer relating to either of these subjects. Curiously enough, the answer did contain a specific admission that some of the *defendant's* goods had been stamped "Goodyear's patent," so that, morally, the court may have felt sure that the defendants there were aware of the patent. The point of failure to mark "patented" was not raised by the defendants in that case upon the original hearing, wherein the interlocutory decree for reference to a Master was made, but appears for the first time in the form of an exception to the Master's report, presented to the Master for his ruling, and subsequently passed upon by the court below.

Furthermore, it was shown in that case that *after* the filing of the bill of complaint (which of course operated as actual notice to the defendants), the infringement had been continued by them, and it is significant that under the exception which was passed upon, there was no attempt to escape liability for infringement subsequent to the filing of the bill; but only an assertion that the Master should have commenced his accounting at that time, instead of at the earlier period of the beginning of infringement.

Under these circumstances the defendants in that case were properly held to have waived the issue, and the language of

the court should not be taken as expressly, or by implication, ruling the point now under consideration, for it will of course be understood that in the present case there was no proof of any continuance of infringement after the filing of the bill.

It is therefore submitted that the inference of the court below was wrong in holding that this court has decided generally that this matter of defense must be specially pleaded and proved by the defendants.

In the other cases cited by the court below, Goodyear *vs.* Allyn, 6 Blatchford, 33, and Herring *vs.* Gage, 15 Blatchford, 129, the point was not directly raised, and the reference to them is only understood as meaning that they have the weight of *dicta*.

On the other hand, the opinion of the late Mr. Justice Woods in McComb *vs.* Brodie, 1 Woods, 153, favors the appellants' position. The brief reference in Walker on Patents, referred to in the opinion of the court below, is not deemed of importance, and is, at all events, based upon a similar misconception of the case of Rubber Company *vs.* Goodyear.

Treating the question as an open one, it is only necessary to point out the hardship of making a defendant prove a negative proposition relating to subject-matter which is peculiarly within the knowledge of his opponent. No such principle is found in any rules of pleading.

It is further to be noted in this connection that Rubber Company *vs.* Goodyear was a suit in equity in which, under the then existing statute, no recovery of damages as such could be had, and it might well be contended that a provision, which at that time could only have had reference to actions at law, was not a necessary prerequisite to a recovery of profits by suit in equity.

The proceeding in the present case is of an entirely different character. Not only is the recovery one of damages, the right to recover which by a suit in equity first appears in the Patent Act of 1870, but the particular damages to which the decree relates are in the nature of a "penalty," imposed without reference to either the loss of the plaintiffs or profits of the defendants.

While this remark belongs, perhaps, more properly to the second branch of the argument, it is submitted here because it points out an obvious distinction between the supposed ruling of Rubber Company *vs.* Goodyear and the case at bar.

A highly penal provision, like that of the Act of February 4th, 1887, must be construed strictly, and it is therefore submitted that the case of Rubber Company *vs.* Goodyear presents no precedent whatever to the point now raised. Whether or not the court may consider it proper to now pass upon the general question of the necessity of averring compliance with section 4900 in ordinary patent cases, where only the usual remedies of accounting and assessment of damages are prayed, the determination of appellants' case does not require it. The widely different question is here presented whether, in attempting to recover liquidated damages in the nature of a penalty, the complainant must aver, and, if issue be raised, prove, that he has complied with the requirements of a provision whose language covers the exact case and whose spirit is in accordance with the general thought that the holder of a monopoly, before seeking money damages for its infringement, must fairly notify the public or the infringer, of the character of his rights.

Second.

The vital provision of the Act of February 4th, 1887, is as follows:—

"*Be it enacted, &c.*, that hereafter, during the term of letters patent for a design, it shall be *unlawful* for any person other than the owner of said letters patent, without the license of such owner, to *apply* the design secured by such letters patent, *or any colorable imitation thereof*, to any article of manufacture for the purpose of sale, or to sell or expose for sale any article of manufacture to which such design or colorable imitation shall, without the license of the owner, have been *applied*, knowing that the same has been so applied."

The language of the Act is somewhat obscure in its use of the expression "knowing that the same has been so applied." The context renders it possible to construe this expression as only referring to dealers or persons other than the manufacturer, but it is difficult to see any ground for distinguishing between the manufacturer and the vendor in this respect. It is not the act of infringement, *per se*, which the provision aims at, nor even the copying of a design, but the act of "*applying a design secured by letters patent, or any colorable imitation thereof.*" In other words, the guilty party must presumably be something more than a mere infringer, for it is inconceivable that this elaborate language should have been selected if the mere fact of infringement is to constitute the offense for which he is to be mulcted.

It is the fair meaning of this language that no infringer shall be brought within the penal provision of the statute unless he "applies" the design secured by such letters patent, or any colorable imitation thereof, with a knowledge of the patent.

The learned judge below concurred in this view, and although he stated that a comparison of the complainants' and defendants' rugs justified the belief that the latter were copied from the design of the former, he added the obvious remark that the conclusion does not necessarily follow that the defendants had knowledge of the patent. Owing, however, to his misconception of the law upon the subject, he *inferred* that the defendants had knowledge of the patent in the absence of proof to the contrary. In other words, because of a supposed rule of pleading inapplicable to a proceeding under this statute (and, it is believed, inapplicable even in ordinary patent cases) he *presumed* that the complainants' goods were marked, and then used this assumption as a basis for the further presumption that the defendants *knew* that they were marked.

Ignore, for the sake of argument, the denial of notice in the answer, can it be possible that the provisions of a penal statute, which are held by the court not to apply to ordinary infringements, but contemplate a willful appropriation of pat-

ented property, should be applied to a person who is not shown to have had knowledge of the existence of any such patent, and in the face of his express denial of infringement?

Conclusion.

The point submitted is one of great importance to all persons engaged in business where designs are employed.

In the great multitude of cases where designs are found on the market no one knows, or can ascertain without unreasonable searching, whether they are public property. The usual term of design patents is very short, and if no clue be given the public as to the rights of the patentee, persons may well be deterred, through fear of a possible penalty, from using that which has been long since open to them.

It is submitted that the ruling of the court below is not in accordance with that spirit which characterizes modern views of the law of patents, and should be reversed.

JOS. C. FRALEY,
Of Counsel for Appellants.

Office Supreme Court U. S.
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JAMES H. McKENNEY,
CLERK.

IN THE

Supreme Court of the United States.

October Term, 1893. No. 149.

JOHN DUNLAP, et al.,
Appellants,

vs.

SCHOFIELD, MASON & CO.

Brief of Argument for Appellees.

HECTOR T. FENTON,
Counsel for Appellees.

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Supreme Court of the United States.

JOHN DUNLAP, et al.,
Appellants,
vs.
SCHOFIELD, et al.

October Term, 1893.
No. 149.

BRIEF OF ARGUMENT FOR APPELLEES.

The appellants were defendants below in a suit in equity brought against them by the appellees for infringement of Letters Patent No. 18,996, dated April 2, 1889, granted to the appellees as assignees of Julius Stroheim, for a Design for a Rug. The defendants are manufacturers, and made and sold the infringing rugs, of which a sample was put in evidence as Exhibit B. Proof of the issue of the patent, the title in the plaintiffs, the manufacture and sale of Exhibit B by the defendants, and the manufacture and sale by the plaintiffs of the patented rug, of which Exhibit No. 2 is a sample, were duly proven (see Record, page 8).

The answer and an amendment thereto set up want of novelty and denial of infringement.

As to the issue of infringement, four witnesses were called by the appellees, who said that the design of the defendants' rug, Exhibit B, was substantially the same as the design of the patented rug, Exhibit No. 2. On the other hand, five witnesses were called by the defendant who controverted this proposition. So that in this case, as in all other design cases, where the issue of infringement, dependent upon a comparison of the designs, is involved, the Court really has nothing practically but the exhibits themselves upon which to form a definite conclusion. Indeed, in all the reported design cases, in which there is such a

conflict of testimony, the Court has invariably decided the question of infringement upon its own comparison of the designs in question, as turning the scale between the conflicting opinions of the witnesses on each side. In Gorham Co. *vs.* White, 14 Wall. 511, this Court, irrespective of the conflicting opinions of the witnesses, itself compared the design of the patent with the designs on defendants' article, and arrived at the conclusion from said comparison (as stated by the Court) "that the designs of the defendants were in their effect as a whole, notwithstanding variances, substantially the same as the design of the patent, and an infringement." There is much less dissimilarity in minor details between the two rugs in question in this case than there was between the two articles involved in the case of Gorham *vs.* White, as will appear from an inspection of the drawings of the patent involved in that case contained in the official Supreme Court reports. It is not thought that there is sufficient conflict of evidence to warrant this Court in seriously reviewing the finding of the Court below on the question of fact, much less of disturbing it.

AS TO THE AWARD OF DAMAGES.

The only question presented by the record in this case that seemed to offer any difficulty of decision in the Court below, judging by the lengthy discussion of it in the opinion, is (*a*) whether or not in a bill for infringement of a patent it is necessary for the plaintiff to aver, and support by actual proof in the first instance, a compliance with Sec. 4900, Rev. Stat., to entitle him to recover profits and damages; and (*b*) whether, in order to entitle a patentee to the benefit of the Design Statute of February 4, 1887, it is necessary to prove that the defendant had actual notice of the patent and of his alleged infringement.

Both these questions are so fully and correctly discussed and decided, in and by the opinion of the Court below, that it seems hardly worth while to elaborate them. However, the following additional views are submitted.

Sec. 4900, Rev. Stat., does not operate, even for non-compliance with its terms, to wholly bar the right to profits and

damages. Indeed, it has no effect on the recovery of "profits," as such. Its only effect is to limit the extent of the recovery of damages, to those occurring after actual notice, in cases where the defendant has properly averred in his pleadings and established by his proofs that the patentee manufactured the patented goods and had failed to mark them patented. Manifestly, this is of the nature of a statute of limitations, operating to *divest* the patentee of something which of right is his, and which, in the absence of a plea of the statute, he would *legally* be entitled to have. And, like the plea of infancy, or coverture, or the statute of limitations, it must be *specially* pleaded; for it is a personal privilege. No one has ever contended that in a suit to recover an old debt, it is necessary for the plaintiff to aver in his initial pleadings that the debt is *not* barred by the statute, by reason of some act or thing done within the statutory period, or that the defendant, at the time of the *assumpsit*, was of full age or not a *feme covert;* and if the plaintiff's initial pleadings did so aver, it would be mere surplusage, and not operate to shift the burden of proof. These, like the statute in question, operate only in bar of the assertion of vested rights, and are essentially *defenses,* requiring to be *specially* pleaded to be taken advantage of, and the burden of averring and proving which is on the defendant.

In the case at bar, the record is barren of any proof on either side as to whether or not the plaintiffs marked their goods patented, except, inferentially, from the patent mark appearing on the sample of the patented rug offered in evidence. Nor does the defendant's answer specially plead non-compliance by the appellees with the requirements of said Sec. 4900, Rev. Stat., or seek any of the advantages, benefits or privileges conferred on an infringer as against the patentee for such non-compliance.

It is thus seen that the defense made in the case at bar is a purely technical one; is based on a question of sufficiency of pleading and seeks a forfeiture. It is, therefore, not to be graciously received in a Court of Equity, nor entitled to any

consideration at all, unless in strictness of law it is well founded and must prevail *ex-necessitate*. Manifestly, because it seeks a forfeiture, it must be explicit, complete, and its meaning not left in whole or in part to be implied. Does it comply with these conditions? There is not a word in the paragraph of the answer relied on that gives notice that the defendant intends to offer proof that the goods made by the plaintiffs were not marked patented; or that avers that the plaintiffs did not comply with the requirements of the statute in that respect; or that the defendants intend to claim the benefit of the statute, and so put the plaintiff to proof of compliance. The defense, as set up at final hearing, was purely an afterthought. No evidence of alleged non-compliance was offered by the defendants; and hence at the hearing the defendants suggested the novel theory that the usual and formal averment in the bill, to the effect that the defendant had notice of the patent and of the infringement and was requested to desist, etc., was intended to be an averment of compliance with Sec. 4900, Rev. Stat.; that such averment and proof of compliance was essential in the first instance to maintain a right to recover damages; that the *general* denial in the answer, of the aforesaid general averment in the bill, was intended to be and was, in fact, a plea of the statute, Sec. 4900, and hence that plaintiff not having proved compliance, was not entitled to recover more than nominal damages.

Averment of notice, or want of notice in a bill or answer respectively, of the patent, and of the infringement by defendant, is a very different thing in its legal aspects, from an averment in a bill or answer of compliance or non-compliance respectively with Sec. 4900, Rev. Stat. Sec. 4919 gives the Court power to increase or treble the damages found by a Master or jury. To lay the ground for such an application, it is common practice to insert in the bill that the defendant had actual notice of the patent and of the fact that he was infringing the same and continued the infringement after such notice; and it was for this purpose, and for this only, that notice was averred in this bill. A careful research fails to disclose that any legal

practitioners ever conceived it necessary, in order to warrant a decree for damages or profits, to insert in the bill of complaint, and support by proof, an averment of compliance with Sec. 4900, Rev. Stat. If such an averment was contained in the bill and denied in the answer, and there was no proof on either side, it would be merely surplusage. The contention that compliance with Sec. 4900 is a condition precedent to a vesting in a patentee of a right to recover damages and profits is not well founded. That section does not require actual notice or proof of notice to the defendant. It requires that if the patentee make the goods, that he shall give notice in a particular way, to wit, by marking them patented. Failure so to do brings a punishment provided by the statute, to wit: The taking away from the patentee of his vested right to recover any profits received by the infringement or damages suffered by the patentee prior to the date of actual notice. Hence, if a patentee has manufactured the goods and has failed to mark them patented, he may overcome such objection by giving actual notice to the infringer at any period of the infringement, either by a written or verbal notice, or by the writ in the case, and the date of notice fixes the time from whence the infringer shall be liable. Hence the statute has relation, not to the recovery of damages and profits generally, but only to the quantum of such. It is therefore seen that non-compliance with Sec. 4900 is a *defense* only. By its interposition a defendant asks that the patentee whose patent has been infringed should, by reason of his neglect to mark the goods patented, suffer the penalty of a forfeiture of all the profits and damages accrued to the infringer prior to the time when the patentee had supplied the omission by giving to the defendant an actual notice to discontinue the infringement. Hence, compliance with Sec. 4900 is not a *sine qua non* to the recovery of substantial profits and damages, but a defense to the patentee's claim therefor, that can be taken advantage of only by the defendant if he, in his answer, avers such non-compliance, and proves it accordingly. This seems to be plainly the conclusion stated in Rubber Co. *vs.* Goodyear, 9 Wall.,

733, and also in the opinion by Judge Wallace in Herring *vs.* Gage, 15 Blatchf., 129 and 130. In the latter case, the Court seems to think that Sec. 4900 has no application to a defendant who not only used and sold, but *made*, the infringing device, presumably upon the ground that in the case of a mere vendor the Court could not presume an intention to infringe from the mere fact of the identity of the articles, whereas, in case of a manufacturer, the Court could presume such an intention by reason of the fact that the patent was a public record, of which the defendant and all the world had constructive notice. Boyden *vs.* Burke, 14 Howard, 575; Loom Co. *vs.* Higgins, 105 U. S., 594.

In Goodyear *vs.* Allyn, 6 Blatchf., 33, Judge Blatchford had occasion to consider the law of March 2, 1861, now Rev. Stat. 4900 That case seems to rule two points conclusively. (1) That it is not necessary to aver in the bill a compliance by the patentee with Sec. 4900, because *non constat* the patentee ever manufactured any of the goods patented; but if it appeared by the bill or by the proofs that he did, that then it would be for the defendants to show, by competent proof, if they desired to take advantage of the defense afforded by the statute, that the plaintiffs had failed to place patent marks upon the goods manufactured by them. And that upon such proof the plaintiff would have the right in rebuttal to show that he had taken advantage of the last clause of Section 4900 of the statute by giving *actual* notice to the defendant that he was infringing the patent and that the defendant had continued, after such notice, to make or vend the article patented. It is quite true that the opinion in this case states conclusions and gives no reasons, but it follows the ruling of this Court in Rubber Co. *vs.* Goodyear, *supra*, and was itself followed by the ruling of Judge Wallace in Herring *vs.* Gage, *supra*. Counsel can find no reported cases since then in which this ruling has been questioned or the point even raised. Sec. 4900 provides a penalty or forfeiture for an omission to *mark patented*, not for an omission to give notice otherwise, except as an alternative. Hence it is essentially a defense. If the

answer does not charge that the patentee *made* the patented goods, and failed to *mark* them, a mere averment that he failed to give the alternative notice is not a good plea. But in any event, the burden is on the defendant to prove it. No such proof was offered here; and hence the plaintiff was not called upon to rebut what was not proven. In brief, the appellant sets up a defense which he has neither averred in his pleadings nor offered any evidence to prove.

ON THE OTHER POINT.

The Design Patent, statute of February 4, 1887, was intended to provide a remedy in cases of infringement of design patents where, from the nature of the design, it was impossible to show the profits due to the design, or to recover substantial damages; and for no other purpose. The history of the statute proves this beyond a doubt.

With respect to patents generally, "intention" never enters into a question of infringement. It is entirely immaterial whether or not the defendant has *actual* notice of the patent prior to suit brought. He certainly has constructive notice, it being a public record.

There is no statute relating to any kind of patents, whether mechanical or design, that requires the plaintiff to give "actual" notice to enable him to recover from an infringer (whether willful or otherwise) the profits of the infringement or the damages sustained thereby. The design statute of 1887 leaves all the remedies for infringement just as they were previously, and modifies the then existing law only in that it gives a liquidated sum in cases where nominal damages only could otherwise be recovered by reason of the peculiar nature of the subject-matter of the patent. In short, the statute is remedial only, and operates only *after* the Court has found an infringement by interlocutory decree. It has no operation at all if the Master finds actual profits or damages in excess of $250. The statute was intended for the *benefit* of the patentee, and not to put an additional bur-

den on him with respect to his proof of damages, by requiring *actual* notice of infringement not required in any other case of patent infringement. The language of that statute also distinguishes very clearly between the *manufacturing* infringer, who need not have notice, and *selling* infringer, who *must* have notice, to become liable for the *penalty*. "Intention," as before remarked, does not enter into the question of infringement, but if it does, under this special statute, the Court would be fully justified in this case in inferring a wilful and intentional infringement, from the very clear evidence exhibited by the rugs themselves that the plaintiff's rug was before the designer when he made that of the defendant. The whole general plan of the defendant's rug is precisely similar to that of the plaintiff's and the unerring evidence of copying is found in it, not only as a whole, but more particularly in some of the minor details, exactly as the Court in a copyright case convicted the defendant of *intentional* infringement, because it found that he had made precisely the same typographical errors that were found in the plaintiff's book. This minor fact, trifling in itself, was convincing on the question of willful and intentional infringement.

It would, therefore, seem clear that the plaintiffs were entitled to a decree not only for an injuction, but to an account of profits and damages in the usual form, and that, having upon the entry of such decree, exercised their option under the Design Statute of February 4, 1887, to waive profits and damages in excess of the minimum sum or liquidated damages provided by that statute, to wit, the sum of two hundred and fifty dollars, they were entitled to have the decree made final for an award of damages in that amount with costs. The action of the Court in so doing was in accord with precedent in other Circuits, and was right, and the decree should be affirmed with costs.

Respectfully submitted,

HECTOR T. FENTON,

December 2, 1893. *Counsel for Appellees.*